

STATE OF SOUTH CAROLINA  
401(K) AND 457 PLANS

Analysis of Investment Performance  
Through March 31, 2006

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*May 2006*

[REDACTED]  
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## TABLE OF CONTENTS

	PAGE
SECTION 1: FINANCIAL MARKET CONDITIONS	1
SECTION 2: TOTAL PLAN	2
SECTION 3: INVESTMENT OPTIONS	
➤ Stable Value Fund	23
➤ PIMCO Total Return I Fund	24
➤ Oppenheimer Capital Income A Fund	29
➤ Dodge & Cox Stock Fund	34
➤ Vanguard Institutional Index Fund	39
➤ American Century Ultra Inv Fund	44
➤ T. Rowe Price Mid Cap Value Fund	49
➤ Franklin Small Mid Cap A Fund	54
➤ Brazos Micro Cap Y Fund	59
➤ Fidelity Diversified International Fund	64
➤ American Funds EuroPacific Growth A Fund	69
➤ SSgA Age-Based Funds	74
SECTION 4: APPENDIX	
➤ Equity Strategies and Terminologies	90
➤ Fixed Income Strategies and Terminologies	91
➤ Quantitative Terms	93

**Selected Equity and Fixed Income Index Rates of Return  
for Periods Ended March 31, 2006**

	<b>Quarter</b>	<b>1 Year</b>	<b>3 Years</b>	<b>5 Years</b>	<b>10 Years</b>
<b>Equity Indices</b>					
Standard & Poor's 500	4.2%	11.7%	17.2%	4.0%	9.0%
Russell 3000	5.3	14.3	19.1	5.3	9.2
Russell 1000	4.5	13.2	18.3	4.7	9.2
Russell 1000 Growth	3.1	13.1	14.8	1.7	6.5
Russell 1000 Value	5.9	13.3	21.8	7.8	11.0
Russell 2000	13.9	25.8	29.5	12.6	10.2
Russell 2000 Growth	14.4	27.8	28.1	8.6	5.5
Russell 2000 Value	13.5	23.8	30.7	16.2	14.0
MSCI EAFE (Net)	9.4	24.4	31.1	9.6	6.5
<b>Fixed Income Indices</b>					
Lehman Family:					
Aggregate	-0.7	2.3	3.0	5.1	6.3
Government/Credit	-1.0	2.0	2.8	5.2	6.3
Intermediate Government/Credit	-0.4	2.1	2.3	4.7	5.9
Long Term Government/Credit	-3.4	1.7	4.6	7.0	7.7
Government	-0.9	2.1	2.1	4.7	6.1
Credit	-1.2	1.8	3.7	6.0	6.6
Mortgage	-0.1	2.7	3.1	4.9	6.2
Merrill Lynch High Yield Master II	2.9	7.2	11.9	7.8	6.7
Citigroup World Government Bond (unhedged)	-0.4	-4.8	4.5	7.5	5.2
91 day Treasury Bill	1.2	3.9	2.2	2.2	3.8

## Fund Descriptions

Fund (share class)	Objective	Description
<b>60/84 Month Guaranteed Certificate Fund</b>	To preserve principal.	The certificate is comprised of high quality investment contracts issued by insurance companies, as well as short-term investment products to provide on-going liquidity for participant withdrawals. The strategy invests only in book value investments, so its return is not subject to market value fluctuations.
<b>Stable Value Fund</b>	To preserve principal.	The Fund invests in a diversified portfolio of guaranteed investment contracts (GIC's) synthetic GIC's and fixed income securities. The Fund is managed by Deutsche Asset Management.
<b>PIMCO Total Return Fund (I)</b>	To seek total return, consistent with preservation of capital.	The Fund invests at least 65% of assets in debt securities, including U.S. government securities, corporate bonds, and mortgage-related securities. It may also invest 20% of assets in securities denominated in foreign currencies. The portfolio's duration generally ranges from 3 to 6 years.
<b>Oppenheimer Capital Income Fund (A)</b>	To seek capital appreciation.	The Fund primarily invests in common stocks of newer companies. The Fund currently does not expect to have more than 35% of its assets invested in foreign securities although it has the ability to invest in them without limit. Normally, the Fund can invest up to 10% of assets in liquid securities.
<b>Dodge &amp; Cox Stock Fund</b>	To seek long-term growth of principal and income with current income as a secondary consideration.	The Fund intends to remain fully invested in equities with at least 65% of assets in common stocks. It may invest in preferred stocks and convertibles. The Fund may invest up to 20% of assets in American Depositary Receipts. Management seeks companies with financial strength and a sound economic background.
<b>Vanguard Institutional Index Fund</b>	To approximate the performance of the S&P 500 Index.	The Fund attempts to replicate the target index by investing all, or substantially all, of its assets in the stocks that make up the index, holding each stock in approximately the same proportion as its weighting within the index.

## Fund Descriptions

Fund (share class)	Objective	Description
<b>American Century Ultra Fund (Inv)</b>	To seek capital growth.	The Fund typically invests at least 90% of assets in equities with appreciation potential. The majority of these securities are common stocks that meet management's standards for earnings and revenue growth. The Fund may only purchase securities of companies that have operated continuously for three or more years.
<b>T. Rowe Price Mid Cap Value Fund</b>	To seek long-term capital appreciation.	The Fund invests primarily in mid-sized companies believed to be undervalued. The Fund will invest at least 80% of net assets in companies whose market capitalization falls within the range of companies in the S&P MidCap 400 Index.
<b>Franklin Small-Mid Cap Growth (A)</b>	To seek long-term growth of capital.	The Fund normally invests at least 65% of assets in equities of companies with market capitalization of less than \$1.5 billion, or less than the highest market value in the Russell 2000 Index, whichever is greater. The balance of assets may be invested in larger companies. The Fund may also invest in IPOs or a small portion of assets in private or illiquid securities.
<b>Brazos Micro Cap Fund (Y)</b>	To seek long-term capital growth.	The Fund normally invests in microcap companies which may have limited product lines, financial resources and management teams. These holding may be less liquid than large cap securities.
<b>Fidelity Diversified International Fund</b>	To seek capital growth.	The Fund primarily invests in non-U.S. securities primarily in common stocks. The Fund allocates investments across countries and regions considering size of the market in each country and region relative to size of the international market as a whole.

## Fund Descriptions

Fund (share class)	Objective	Description
<b>American Funds EuroPacific Growth Fund (A)</b>	To seek to provide long-term growth of capital.	The Fund invests primarily in companies based outside the United States. Distinguishing Characteristics include investing in strong, growing companies based chiefly in Europe and the Pacific Basin, ranging from small firms to large corporations. Types of Investments include common and preferred stocks, convertibles, American Depositary Receipts, European Depositary Receipts, bonds and cash. Non-U.S. Holdings includes: non-U.S. except a nominal portion that, for liquidity purposes, may be held in U.S. dollars and/or equivalents. Normally, at least 80% of assets must be invested in securities of issuers domiciled in Europe or the Pacific Basin in equity securities of small companies with market capitalization less than \$1 billion. It may also invest up to 20% of assets in foreign securities traded in either the United States or in foreign markets.
<b>SSgA Age-Based Income Fund</b>	To seek total return.	The Fund emphasizes bonds and cash over stocks. Small allocation to US and non-US stocks provides diversification and moderate growth potential. The fixed income exposure emphasizes short-term bonds to reduce interest rate risk.
<b>SSgA Age-Based 2010 Fund</b>	To seek total return.	The Fund is a balance of stocks for growth potential, and bonds for diversification and income generation. The fixed income exposure emphasizes both long-term government bonds and short-term bonds.
<b>SSgA Age-Based 2020 Fund</b>	To seek total return.	The Fund's large stock position is for long-term growth potential. The Fund's small bond position is for diversification. The Fund also has a moderate allocation to small-cap and mid-cap US equities and non-US developed equities in addition to large-cap US equities.

**Fund Descriptions**

<b>Fund (share class)</b>	<b>Objective</b>	<b>Description</b>
<b>SSgA Age-Based 2030 Fund</b>	To seek total return.	The Fund comprises mainly of stocks for maximum growth potential, with a small bond position for diversification. The Fund also has a moderate allocation to both small-cap and mid-cap US equities and non-US developed equities in addition to large-cap US equities. The Fund does not include cash or short-term bonds in its starting allocation.
<b>SSgA Age-Based 2040 Fund</b>	To seek total return.	The Fund's high concentration in stocks is for maximum growth potential. While the Fund's small bond position is for diversification. The Fund has the largest allocation to small-cap and mid-cap US equities and non-US developed equities of all the funds. The Fund does not include cash or short-term bonds in its starting allocation.

**401(k) Plan Activity**  
**December 31, 2005 through March 31, 2006**

Fund	Beginning	Contributions	Net	Transfers	Loan	Other*	Investment	Ending
	Balance December 31, 2005		Withdrawals		Issued/Fees		Gain/Loss	Balance March 31, 2006
60 Month Certificate	\$ 6,368,039	\$ -	\$ (113,504)	\$ (1,755,468)	\$ -	\$ -	\$ 88,905	\$ 4,587,972
84 Month Certificate	\$ 338,289,701	\$ -	\$ (8,229,082)	\$ 16,080,630	\$ -	\$ (25,981)	\$ 4,184,873	\$ 350,300,141
84 Month Deposit Fund	\$ (1,898)	\$ 16,434,519	\$ (689,234)	\$ (16,340,753)	\$ 763,966	\$ (292,169)	\$ 125,570	\$ (0)
Stable Value Fund	\$ 299,627,512	\$ 57,936,872	\$ (11,939,310)	\$ 730,233	\$ 806,376	\$ 555,500	\$ 3,517,897	\$ 351,235,079
PIMCO Total Return I Fund	\$ 30,076,808	\$ 2,953,972	\$ (819,719)	\$ (697,505)	\$ 66,581	\$ 3,894	\$ (308,557)	\$ 31,275,473
Oppenheimer Capital Income A Fund	\$ 38,594,448	\$ 2,640,866	\$ (912,698)	\$ (1,283,937)	\$ 84,245	\$ 13,695	\$ 452,112	\$ 39,588,730
Dodge & Cox Stock Fund	\$ 119,074,654	\$ 8,200,697	\$ (2,548,644)	\$ 1,946,631	\$ 260,348	\$ 31,360	\$ 5,837,176	\$ 132,802,222
Vanguard Institutional Index Fund	\$ 235,696,565	\$ 12,231,983	\$ (6,305,295)	\$ (5,829,448)	\$ 491,778	\$ 7,938	\$ 10,000,904	\$ 246,294,426
American Century Ultra Inv Fund	\$ 105,114,124	\$ 5,172,551	\$ (2,390,748)	\$ (4,331,910)	\$ 249,050	\$ 98,469	\$ 283,188	\$ 104,194,723
T. Rowe Price Mid Cap Value Fund	\$ 46,092,960	\$ 4,049,014	\$ (1,079,537)	\$ 1,252,471	\$ 114,661	\$ 12,936	\$ 2,853,989	\$ 53,296,494
Franklin Small-Mid Cap A Fund	\$ 40,342,539	\$ 2,849,463	\$ (1,049,903)	\$ 215,356	\$ 79,501	\$ 42,950	\$ 3,082,471	\$ 45,562,377
Brazos Micro Cap Growth Y Fund	\$ 11,895,003	\$ 949,355	\$ (221,919)	\$ (45,448)	\$ 26,230	\$ 1,343	\$ 2,066,807	\$ 14,671,370
Fidelity Diversified International Fund	\$ 53,791,867	\$ 3,762,625	\$ (1,368,192)	\$ 3,168,588	\$ 132,934	\$ 24,656	\$ 5,420,322	\$ 64,932,799
American Funds EuroPacific Growth A Fund	\$ 19,644,020	\$ 1,862,908	\$ (468,243)	\$ 4,443,299	\$ 85,564	\$ 1,295	\$ 1,662,958	\$ 27,231,801
SSgA Age-Based Income	\$ 886,023	\$ 1,326,074	\$ (392,450)	\$ 126,272	\$ 2,824	\$ -	\$ 11,509	\$ 1,960,252
SSgA Age-Based 2010	\$ 1,627,678	\$ 1,303,098	\$ (201,427)	\$ 466,966	\$ 4,085	\$ -	\$ 20,432	\$ 3,220,833
SSgA Age-Based 2020	\$ 1,473,767	\$ 659,075	\$ (33,188)	\$ 648,995	\$ 9,550	\$ 902	\$ 52,035	\$ 2,811,138
SSgA Age-Based 2030	\$ 530,745	\$ 138,041	\$ (6,000)	\$ 326,791	\$ 6,389	\$ -	\$ 30,365	\$ 1,026,332
SSgA Age-Based 2040	\$ 148,214	\$ 54,818	\$ (503)	\$ 878,228	\$ 1,065	\$ -	\$ 30,055	\$ 1,111,877
Loan Fund	\$ 40,309,474	\$ -	\$ (408,555)	\$ 403,504	\$ -	\$ -	\$ 545,105	\$ 40,849,529
<b>Total</b>	<b>\$ 1,389,582,241</b>	<b>\$ 122,525,932</b>	<b>\$ (39,178,151)</b>	<b>\$ 403,493</b>	<b>\$ 3,185,148</b>	<b>\$ 476,787</b>	<b>\$ 39,958,117</b>	<b>\$ 1,516,953,567</b>

\* Includes fees, conversions which represents rollovers, account adjustments, etc.

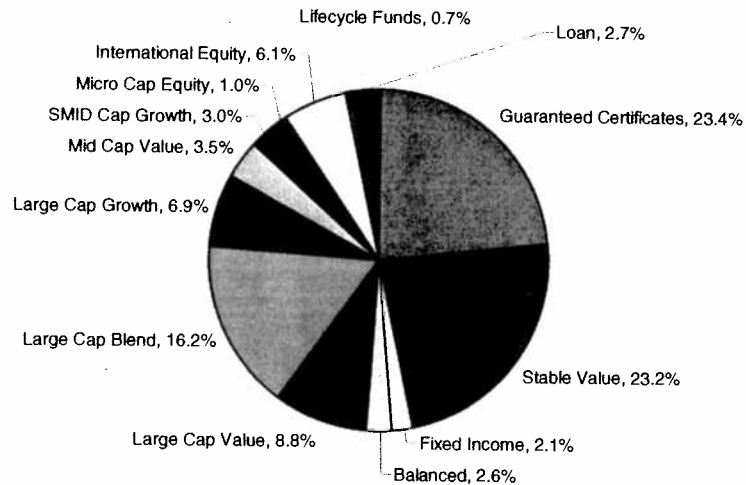


**401(k) Plan  
Asset Allocation as of March 31, 2006**

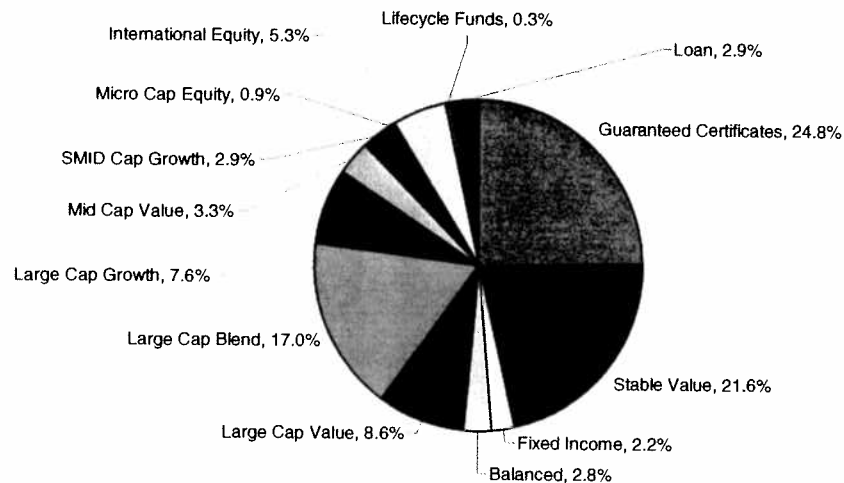
<b>Fund</b>	<b>Plan Assets</b>	<b>% of Total</b>
60 Month Certificate	\$ 4,587,972	0.3%
84 Month Certificate	\$ 350,300,141	23.1%
84 Month Deposit Fund	\$ (0)	0.0%
Stable Value Fund	\$ 351,235,079	23.2%
PIMCO Total Return I Fund	\$ 31,275,473	2.1%
Oppenheimer Capital Income A Fund	\$ 39,588,730	2.6%
Dodge & Cox Stock Fund	\$ 132,802,222	8.8%
Vanguard Institutional Index Fund	\$ 246,294,426	16.2%
American Century Ultra Inv Fund	\$ 104,194,723	6.9%
T. Rowe Price Mid Cap Value Fund	\$ 53,296,494	3.5%
Franklin Small-Mid Cap A Fund	\$ 45,562,377	3.0%
Brazos Micro Cap Growth Y Fund	\$ 14,671,370	1.0%
Fidelity Diversified International Fund	\$ 64,932,799	4.3%
American Funds EuroPacific Growth A Fund	\$ 27,231,801	1.8%
SSgA Age-Based Income	\$ 1,960,252	0.1%
SSgA Age-Based 2010	\$ 3,220,833	0.2%
SSgA Age-Based 2020	\$ 2,811,138	0.2%
SSgA Age-Based 2030	\$ 1,026,332	0.1%
SSgA Age-Based 2040	\$ 1,111,877	0.1%
Loan Fund	\$ 40,849,529	2.7%
<b>Total</b>	<b>\$ 1,516,953,567</b>	<b>100.0%</b>

\*Please note that the fund assets are preliminary.  
Percentage may not match pie chart due to rounding.

401(k) Plan Asset Allocation as of March 31, 2006



401(k) Plan Asset Allocation as of December 31, 2005



#### LEGEND

##### Guaranteed Certificates

- 60 Month Certificate
- 84 Month Certificate
- 84 Month Deposit Fund

##### Stable Value

- Stable Value Fund

##### Fixed Income

- PIMCO Total Return I Fund

##### Balanced

- Oppenheimer Capital Income A Fund

##### Large Cap Blend

- Vanguard Institutional Index Fund

##### Large Cap Growth

- American Century Ultra Inv Fund

##### Large Cap Value

- Dodge & Cox Stock Fund

##### Mid Cap Value

- T. Rowe Price Mid Cap Value Fund

##### SMID Cap Growth

- Franklin Small-Mid Cap A Fund

##### Micro Cap

- Brazos Micro Cap Growth Y Fund

##### International Equity

- Fidelity Diversified International Fund
- American Funds EuroPacific Growth A

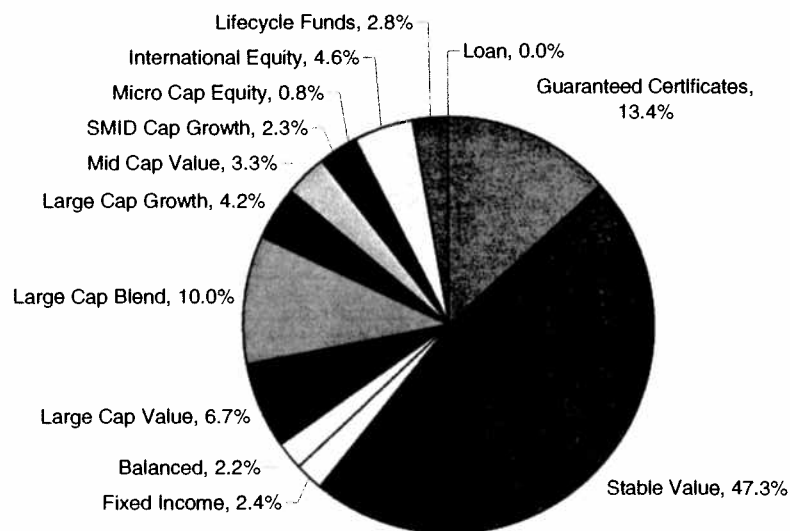
##### LifeCycle Funds

- SSgA Age-Based Income
- SSgA Age-Based 2010
- SSgA Age-Based 2020
- SSgA Age-Based 2030
- SSgA Age-Based 2040

##### Loan

- Loan Fund

401(k) Plan Contributions as of March 31, 2006



#### LEGEND

##### Guaranteed Certificates

- 60 Month Certificate
- 84 Month Certificate
- 84 Month Deposit Fund

##### Stable Value

- Stable Value Fund

##### Fixed Income

- PIMCO Total Return I Fund

##### Balanced

- Oppenheimer Capital Income A Fund

##### Large Cap Blend

- Vanguard Institutional Index Fund

##### Large Cap Growth

- American Century Ultra Inv Fund

##### Large Cap Value

- Dodge & Cox Stock Fund

##### Mid Cap Value

- T. Rowe Price Mid Cap Value Fund

##### SMID Cap Growth

- Franklin Small-Mid Cap A Fund

##### Micro Cap

- Brazos Micro Cap Growth Y Fund

##### International Equity

- Fidelity Diversified International Fund
- American Funds EuroPacific Growth A

##### LifeCycle Funds

- SSgA Age-Based Income
- SSgA Age-Based 2010
- SSgA Age-Based 2020
- SSgA Age-Based 2030
- SSgA Age-Based 2040

##### Loan

- Loan Fund

**457 Plan Activity**  
**December 31, 2005 through March 31, 2006**

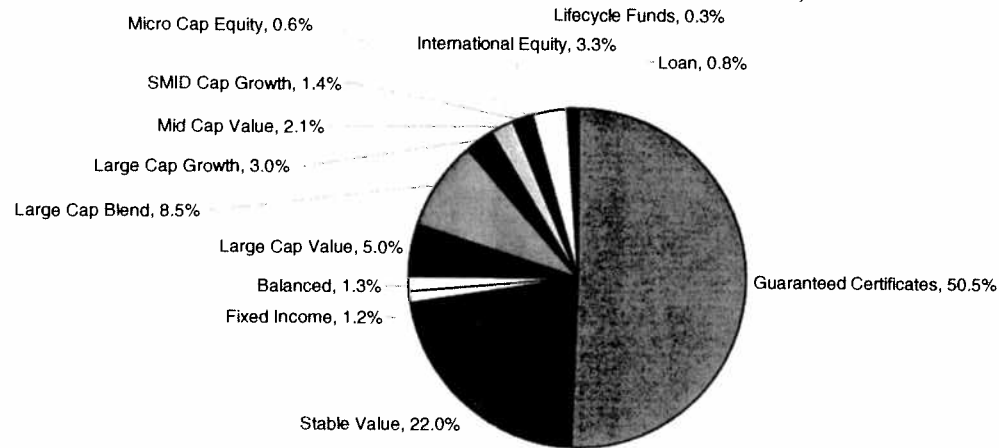
Fund	Beginning	Contributions	Net	Transfers	Loan	Other*	Investment	Ending
	Balance December 31, 2005		Withdrawals				Gain/Loss	Balance March 31, 2006
60 Month Certificate	\$ 5,454,078	\$ -	\$ (118,073)	\$ (1,165,112)	\$ -	\$ -	\$ 74,790	\$ 4,245,684
84 Month Certificate	\$ 425,957,125	\$ -	\$ (12,457,750)	\$ 901,336	\$ -	\$ (4,494)	\$ 4,916,555	\$ 419,312,771
84 Month Deposit Fund	\$ (1)	\$ 1,620,666	\$ (83,192)	\$ (1,674,391)	\$ 124,358	\$ 18	\$ 12,543	\$ (0)
Stable Value Fund	\$ 183,906,846	\$ 2,765,139	\$ (5,928,345)	\$ 1,311,615	\$ 234,864	\$ 207,887	\$ 1,936,695	\$ 184,434,700
PIMCO Total Return I Fund	\$ 10,012,614	\$ 514,406	\$ (286,351)	\$ (280,537)	\$ 5,291	\$ (174)	\$ (93,423)	\$ 9,871,826
Oppenheimer Capital Income A Fund	\$ 11,408,242	\$ 263,000	\$ (335,332)	\$ (438,744)	\$ 7,956	\$ 3,507	\$ 136,553	\$ 11,045,182
Dodge & Cox Stock Fund	\$ 39,637,792	\$ 1,096,686	\$ (854,046)	\$ 452,599	\$ 33,673	\$ 8,902	\$ 1,905,779	\$ 42,281,386
Vanguard Institutional Index Fund	\$ 71,092,689	\$ 1,024,936	\$ (2,234,167)	\$ (1,816,464)	\$ 41,593	\$ (1,565)	\$ 2,959,919	\$ 71,066,941
American Century Ultra Inv Fund	\$ 26,388,335	\$ 352,484	\$ (696,484)	\$ (1,255,449)	\$ 19,907	\$ 23,304	\$ 78,566	\$ 24,910,662
T. Rowe Price Mid Cap Value Fund	\$ 16,500,738	\$ 703,526	\$ (551,661)	\$ 204,483	\$ 13,867	\$ 4,364	\$ 1,004,010	\$ 17,879,327
Franklin Small-Mid Cap A Fund	\$ 10,382,734	\$ 325,784	\$ (315,629)	\$ 158,840	\$ 12,580	\$ 10,409	\$ 782,883	\$ 11,357,602
Brazos Micro Cap Growth Y Fund	\$ 4,284,716	\$ 173,526	\$ (113,997)	\$ (63,631)	\$ 5,217	\$ 309	\$ 724,434	\$ 5,010,574
Fidelity Diversified International Fund	\$ 15,491,222	\$ 602,097	\$ (300,392)	\$ 1,441,266	\$ 21,650	\$ 5,133	\$ 1,559,422	\$ 18,820,398
American Funds EuroPacific Growth A Fund	\$ 6,808,335	\$ 377,164	\$ (325,522)	\$ 1,300,776	\$ 11,154	\$ (157)	\$ 551,614	\$ 8,723,363
SSgA Age-Based Income	\$ 309,728	\$ 20,771	\$ (10,931)	\$ 254,724	\$ 125	\$ 9,982	\$ 3,819	\$ 588,218
SSgA Age-Based 2010	\$ 270,331	\$ 22,190	\$ (20,040)	\$ 116,479	\$ 1,896	\$ 21,926	\$ 3,039	\$ 415,821
SSgA Age-Based 2020	\$ 336,564	\$ 40,053	\$ (2,633)	\$ 203,779	\$ 1,011	\$ 5,930	\$ 11,422	\$ 596,126
SSgA Age-Based 2030	\$ 54,844	\$ 33,152	\$ (2,561)	\$ 12,136	\$ 375	\$ 3,095	\$ 2,995	\$ 104,035
SSgA Age-Based 2040	\$ 72,864	\$ 6,392	\$ (2,680)	\$ 336,296	\$ 125	\$ 3,095	\$ 13,334	\$ 429,426
Loan Fund	\$ 7,085,892	\$ -	\$ (122,364)	\$ 46,677	\$ -	\$ -	\$ 83,993	\$ 7,094,198
<b>Total</b>	<b>\$ 835,455,687</b>	<b>\$ 9,941,972</b>	<b>\$ (24,762,151)</b>	<b>\$ 46,677</b>	<b>\$ 535,642</b>	<b>\$ 301,470</b>	<b>\$ 16,668,943</b>	<b>\$ 838,188,240</b>

\*The Other column includes fees, conversions which represents rollovers, account adjustments, etc.

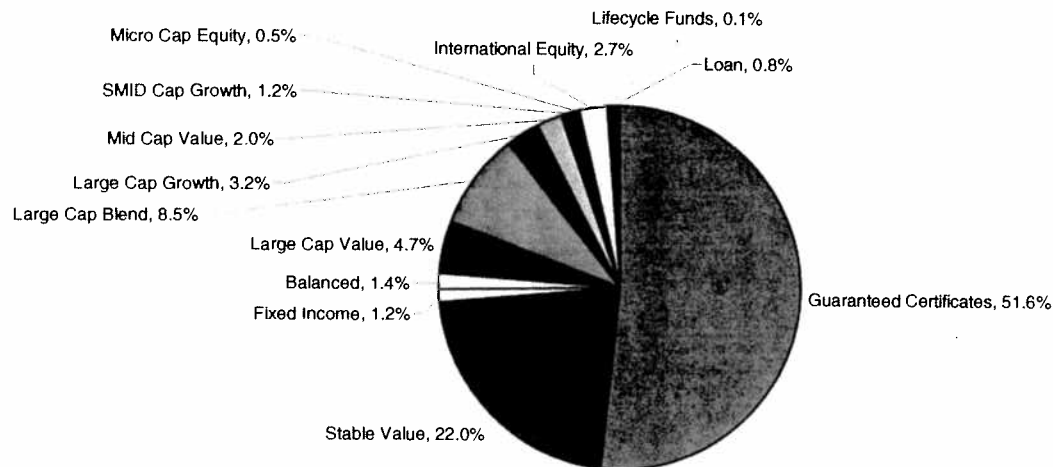
**457 Plan**  
**Asset Allocation as of March 31, 2006**

<b>Fund</b>	<b>Plan Assets</b>	<b>% of Total</b>
60 Month Certificate	\$ 4,245,684	0.5%
84 Month Certificate	\$ 419,312,771	50.0%
84 Month Deposit Fund	\$ (0)	0.0%
Stable Value Fund	\$ 184,434,700	22.0%
PIMCO Total Return I Fund	\$ 9,871,826	1.2%
Oppenheimer Capital Income A Fund	\$ 11,045,182	1.3%
Dodge & Cox Stock Fund	\$ 42,281,386	5.0%
Vanguard Institutional Index Fund	\$ 71,066,941	8.5%
American Century Ultra Inv Fund	\$ 24,910,662	3.0%
T. Rowe Price Mid Cap Value Fund	\$ 17,879,327	2.1%
Franklin Small-Mid Cap A Fund	\$ 11,357,602	1.4%
Brazos Micro Cap Growth Y Fund	\$ 5,010,574	0.6%
Fidelity Diversified International Fund	\$ 18,820,398	2.2%
American Funds EuroPacific Growth A Fund	\$ 8,723,363	1.0%
SSgA Age-Based Income	\$ 588,218	0.1%
SSgA Age-Based 2010	\$ 415,821	0.0%
SSgA Age-Based 2020	\$ 596,126	0.1%
SSgA Age-Based 2030	\$ 104,035	0.0%
SSgA Age-Based 2040	\$ 429,426	0.1%
Loan Fund	\$ 7,094,198	0.8%
<b>Total</b>	<b>\$ 838,188,240</b>	<b>100.0%</b>

**457 Plan Asset Allocation as of March 31, 2006**



**457 Plan Asset Allocation as of December 31, 2005**



**LEGEND**

**Guaranteed Certificates**

- 60 Month Certificate
- 84 Month Certificate
- 84 Month Deposit Fund

**Stable Value**

- Stable Value Fund

**Fixed Income**

- PIMCO Total Return I Fund

**Balanced**

- Oppenheimer Capital Income A Fund

**Large Cap Blend**

- Vanguard Institutional Index Fund

**Large Cap Growth**

- American Century Ultra Inv Fund

**Large Cap Value**

- Dodge & Cox Stock Fund

**Mid Cap Value**

- T. Rowe Price Mid Cap Value Fund

**SMID Cap Growth**

- Franklin Small-Mid Cap A Fund

**Micro Cap**

- Brazos Micro Cap Growth Y Fund

**International Equity**

- Fidelity Diversified International Fund
- American Funds EuroPacific Growth A

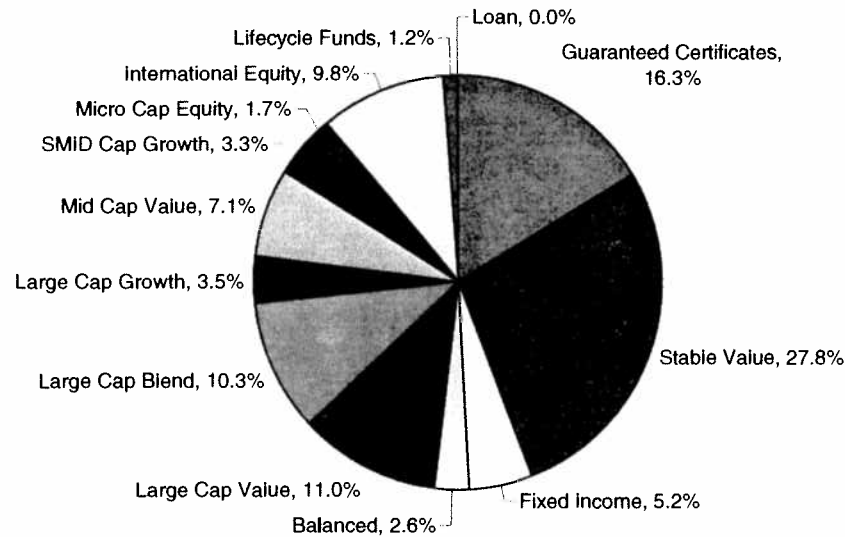
**LifeCycle Funds**

- SSgA Age-Based Income
- SSgA Age-Based 2010
- SSgA Age-Based 2020
- SSgA Age-Based 2030
- SSgA Age-Based 2040

**Loan**

- Loan Fund

457 Plan Contributions as of March 31, 2006



#### LEGEND

##### Guaranteed Certificates

- 60 Month Certificate
- 84 Month Certificate
- 84 Month Deposit Fund

##### Stable Value

- Stable Value Fund

##### Fixed Income

- PIMCO Total Return I Fund

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- SSgA Age-Based 2010
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- SSgA Age-Based 2030
- SSgA Age-Based 2040

##### Loan

- Loan Fund

**Performance Summary  
For Periods Ended March 31, 2006**

<b>Fund</b>	<b>Quarter (%)</b>	<b>1 Year (%)</b>	<b>3 Years (%)</b>	<b>5 Years (%)</b>
<b>Stable Value Fund</b>	<b>1.06</b>	<b>4.24</b>	<b>4.07</b>	<b>NA</b>
65% Lehman Inter. Agg. Index / 35% Lehman 1-5 Yr Govt/Credit Index	-0.12	2.29	2.38	NA
<b>PIMCO Total Return I Fund</b>	<b>-0.53</b>	<b>2.65</b>	<b>3.63</b>	<b>5.91</b>
LB Aggregate Bond Index	-0.64	2.26	2.93	5.11
Median of the Core Fixed Income Fund Universe	-0.51	2.11	2.91	4.77
<b>Oppenheimer Capital Income A Fund</b>	<b>1.06</b>	<b>5.24</b>	<b>14.64</b>	<b>5.00</b>
60% S&P 500 Index / 40% Lehman Aggregate Bond Index	2.25	7.92	11.41	4.74
Median of the Balanced Fund Universe	3.67	10.40	13.38	4.96
<b>Dodge &amp; Cox Stock Fund</b>	<b>5.30</b>	<b>15.02</b>	<b>24.24</b>	<b>11.97</b>
Russell 1000 Value Index	5.92	13.29	21.76	7.79
Median of the Large Cap Value Fund Universe	4.28	10.31	17.95	4.99
<b>Vanguard Institutional Index Fund</b>	<b>4.22</b>	<b>11.74</b>	<b>17.24</b>	<b>4.00</b>
S&P 500 Index	4.21	11.71	17.21	3.96
Median of the Large Cap Blend Fund Universe	4.17	11.48	16.86	3.65
<b>American Century Ultra Inv Fund</b>	<b>0.27</b>	<b>7.69</b>	<b>13.02</b>	<b>2.55</b>
Russell 1000 Growth Index	3.10	13.16	14.81	1.67
Median of the Large Cap Growth Fund Universe	3.32	13.13	14.41	1.28
<b>T. Rowe Price Mid Cap Value Fund</b>	<b>5.99</b>	<b>16.45</b>	<b>26.67</b>	<b>15.66</b>
Russell Mid Cap Value Index	7.63	20.30	29.23	14.69
Median of the Mid Cap Value Fund Universe	6.39	16.65	25.67	12.17
<b>Franklin Small Mid Cap Growth A Fund</b>	<b>7.48</b>	<b>23.39</b>	<b>23.74</b>	<b>6.39</b>
Russell Mid Cap Growth Index	7.61	22.68	25.75	8.99
Median of the Mid Cap Growth Fund Universe	8.90	23.70	23.49	6.97
<b>Brazos Micro Cap Y Fund</b>	<b>17.20</b>	<b>23.26</b>	<b>27.96</b>	<b>7.33</b>
Russell 2000 Growth Index	14.37	27.83	28.14	8.59
Median of the Small Cap Growth Fund Universe	12.44	25.45	26.59	9.39
<b>Fidelity Diversified International Fund</b>	<b>9.65</b>	<b>28.36</b>	<b>32.46</b>	<b>14.37</b>
MSCI EAFE Net Index	9.40	24.41	31.13	9.64
Median of the Foreign Equity Fund Universe	9.62	26.31	29.09	8.32
<b>American Funds EuroPacific Growth A Fund</b>	<b>7.54</b>	<b>30.26</b>	<b>31.88</b>	<b>11.41</b>
MSCI EAFE Net Index	9.40	24.41	31.13	9.64
Median of the Foreign Equity Fund Universe	9.62	26.31	29.09	8.32



**Performance Summary  
For Periods Ended March 31, 2006**

<b>Fund</b>	<b>Quarter (%)</b>	<b>1 Year (%)</b>	<b>3 Years (%)</b>	<b>5 Years (%)</b>
<b>SSgA Age-Based Income</b>	<b>1.07</b>	<b>5.94</b>	<b>7.14</b>	<b>4.61</b>
SSgA Income Custom Index	1.05	6.18	7.08	4.54
<b>SSgA Age-Based 2010</b>	<b>1.07</b>	<b>7.44</b>	<b>10.68</b>	<b>5.57</b>
SSgA 2010 Custom Index	1.02	7.59	10.81	5.68
<b>SSgA Age-Based 2020</b>	<b>2.88</b>	<b>11.22</b>	<b>15.67</b>	<b>6.51</b>
SSgA 2020 Custom Index	2.87	11.33	15.88	6.67
<b>SSgA Age-Based 2030</b>	<b>4.49</b>	<b>13.86</b>	<b>18.90</b>	<b>6.99</b>
SSgA 2030 Custom Index	4.59	14.08	19.17	7.19
<b>SSgA Age-Based 2040</b>	<b>5.85</b>	<b>15.99</b>	<b>21.10</b>	<b>7.43</b>
SSgA 2040 Custom Index	5.88	16.19	21.35	7.62

<sup>†</sup> SSgA Age-Based Fund 3 and 5 year returns are hypothetical (inception of funds were March 4, 2005).

**Universe Ranking  
For Periods Ended March 31, 2006**

<b>Fund</b>	<b>Class</b>	<b>Quarter</b>	<b>1 Year</b>	<b>3 Years</b>	<b>5 Years</b>
<b>PIMCO Total Return I Fund</b>	Core Fixed Income Mutual Fund	52	12	16	3
<b>Oppenheimer Capital Income A Fund</b>	Balanced Mutual Fund	98	94	36	49
<b>Dodge &amp; Cox Stock Fund</b>	Large Cap Value Mutual Fund	28	7	2	1
<b>Vanguard Institutional Index Fund</b>	Large Cap Blend Mutual Fund	37 *	37 *	30 *	32 *
<b>American Century Ultra Inv Fund</b>	Large Cap Growth Mutual Fund	99	93	72	27
<b>T. Rowe Price Mid Cap Value Fund</b>	Mid Cap Value Mutual Fund	60	54	38	14
<b>Franklin Small-Mid Cap A Fund</b>	Mid Cap Growth Mutual Fund	71	58	21	28
<b>Brazos Micro Cap Growth Y Fund</b>	Small Cap Growth Mutual Fund	2	68	37	70
<b>Fidelity Diversified International Fund</b>	Foreign Equity Mutual Fund	48	29	13	1
<b>American Funds EuroPacific Growth A Fund</b>	Foreign Equity Mutual Fund	98	12	16	12

NOTE: Ranking of 1 is highest and 100 is lowest.

\* The Fund's objective is to replicate the holdings and proportion of the S&P 500 Index.

**Fund Performance Versus Benchmark  
For Periods Ended March 31, 2006**

Fund	Index	Quarter	1 Year	3 Years	5 Years
PIMCO Total Return I Fund	LB Aggregate Bond Index	Above	Above	Above	Above
Oppenheimer Capital Income A Fund	Policy Index*	Below	Above	Above	Above
Dodge & Cox Stock Fund	Russell 1000 Value Index	Below	Above	Above	Above
Vanguard Institutional Index Fund	S&P 500 Index	Match **	Match **	Match **	Match **
American Century Ultra Inv Fund	Russell 1000 Growth Index	Below	Below	Below	Above
T. Rowe Price Mid Cap Value Fund	Russell Mid Cap Value Index	Below	Below	Below	Above
Franklin Small-Mid Cap A Fund	Russell Mid Cap Growth Index	Below	Above	Below	Below
Brazos Micro Cap Growth Y Fund	Russell 2000 Growth Index	Above	Below	Below	Below
Fidelity Diversified International Fund	MSCI EAFE Net Index	Above	Above	Above	Above
American Funds EuroPacific Growth A Fund	MSCI EAFE Net Index	Below	Above	Above	Above

\* Policy Index is comprised of 60% S&P 500 Index and 40% Lehman Aggregate Bond Index.

\*\* The Fund's objective is to replicate the holdings and proportion of the S&P 500 Index.

**Fund Return/Risk Versus Benchmark**  
**Periods Ended March 31, 2006**

Fund	Index	3-Year		5-Year	
		Return	Risk	Return	Risk
PIMCO Total Return I Fund	LB Aggregate Bond Index	Above	Match	Above	More
Oppenheimer Capital Income A Fund	Policy Index*	Above	More	Above	More
Dodge & Cox Stock Fund	Russell 1000 Value Index	More	Match	Above	Less
Vanguard Institutional Index Fund	S&P 500 Index	Match **	Match **	Match **	Match **
American Century Ultra Inv Fund	Russell 1000 Growth Index	Below	Less	Above	Less
T. Rowe Price Mid Cap Value Fund	Russell Mid Cap Value Index	Below	More	Above	More
Franklin Small-Mid Cap A Fund	Russell Mid Cap Growth Index	Below	More	Below	Less
Brazos Micro Cap Growth Y Fund	Russell 2000 Growth Index	Below	More	Below	Less
Fidelity Diversified International Fund	MSCI EAFE Net Index	Above	Less	Above	Less
American Funds EuroPacific Growth A Fund	MSCI EAFE Net Index	Above	Less	Above	Less

\* Policy Index is comprised of 60% S&P 500 Index and 40% Lehman Aggregate Bond Index.

\*\* The Fund's objective is to replicate the holdings and proportion of the S&P 500 Index.

**Fund Evaluation Sheet**  
**Quarter ended March 31, 2006**

Criteria	Investment Options									
	PIMCO Total Return Institutional	Oppenheimer Capital Income A	Dodge & Cox Stock	Vanguard Institutional Index Inst*	American Century Ultra Inv	T. Rowe Price Mid Cap Value	Franklin Small- Mid Cap Growth A	Brazos MicroCap Y	Fidelity Diversified International	American Funds EuroPacific A
<b>Performance =&gt; Benchmark</b>										
<b>3 year</b>	Pass	Pass	Pass	Pass	Fail	Fail	Fail	Fail	Pass	Pass
<b>5 year</b>	Pass	Pass	Pass	Pass	Pass	Pass	Fail	Fail	Pass	Pass
<b>Universe Ranking =&gt; 50th Percentile</b>										
<b>3 year</b>	Pass	Pass	Pass	Pass	Fail	Pass	Pass	Pass	Pass	Pass
<b>5 year</b>	Pass	Pass	Pass	Pass	Pass	Pass	Fail	Fail	Pass	Pass
<b>Risk Adjusted Performance =&gt; Benchmark</b>										
<b>3 year</b>	Pass	Fail	Pass	Pass	Fail	Fail	Fail	Fail	Pass	Pass
<b>5 year</b>	Pass	Fail	Pass	Pass	Pass	Pass	Fail	Fail	Pass	Pass
<b>Morningstar Overall Rating =&gt; 3 Stars</b>										
<b>Overall</b>	Pass	Pass	Pass	Pass	Pass	Pass	Pass	Fail	Pass	Pass
<b>Consistency of Style =&gt; 4 out of 6 Quarters</b>										
<b>Style Box Rating</b>	Pass	Pass	Pass	Pass	Pass	Pass	Pass	Pass	Pass	Pass
<b>Grade</b>	<b>8 / 8</b>	<b>6 / 8</b>	<b>8 / 8</b>	<b>8 / 8</b>	<b>5 / 8</b>	<b>6 / 8</b>	<b>3 / 8</b>	<b>2 / 8</b>	<b>8 / 8</b>	<b>8 / 8</b>
<b>Overall Pass/Fail <sup>2</sup></b>	<b>Pass</b>	<b>Pass</b>	<b>Pass</b>	<b>Pass</b>	<b>Pass</b>	<b>Pass</b>	<b>Fail</b>	<b>Fail</b>	<b>Pass</b>	<b>Pass</b>
<b>Watchlist? <sup>3</sup></b>	<b>No</b>	<b>No</b>	<b>No</b>	<b>No</b>	<b>No</b>	<b>No</b>	<b>Yes</b>	<b>Yes <sup>6</sup></b>	<b>No</b>	<b>No</b>
<b>Fund Review? <sup>4</sup></b>	<b>No</b>	<b>No</b>	<b>No</b>	<b>No</b>	<b>No</b>	<b>No</b>	<b>Yes <sup>5</sup></b>	<b>No</b>	<b>No</b>	<b>No</b>

<sup>1</sup> A similar style classification consistent with the investment category outlined in the Investment Policy as identified by Morningstar style box rating system for a period of 4 out of 6 quarters.

<sup>2</sup> The Fund is measured against the 8 criteria listed above. At the end of each quarter, each fund meet or exceed 5 of the 8 criteria in order to receive a passing grade. If less than 5 criteria receive a passing grade, the fund will receive a failing grade. (Index funds will not be graded under this system due to their characteristics).

<sup>3</sup> If the fund received a failing grade, the fund will be placed on the Watch List and monitored for possible future action.

<sup>4</sup> If for a period of 4 consecutive quarters, the fund has received a failing grade, the fund will be placed under formal fund review.

<sup>5</sup> A mutual fund search to replace Franklin Small-Mid Cap Growth A Fund has been prepared for the Commission. The Commission selected the Munder Mid Cap Growth Fund as a replacement. The new Fund will be in place June 1, 2006 with a July 3, 2006 mapping from Franklin to Munder.

<sup>6</sup> The Brazos Micro Cap Fund was put on the watchlist in the 4th quarter of 2005.

## Fund Evaluation Sheet

**Performance => Benchmark:** To equal or exceed the return of the specified benchmark over a full market cycle (3 and 5 year periods).

**Universe Ranking => 50th percentile:** To equal or exceed the median return of the peer universe over a full market cycle (3 and 5 years periods).

**Risk Adjusted Perf. => Benchmark:** To equal or exceed the Sharpe Ratio of the specified benchmark over a full market cycle (3 and 5 year periods).

**Morning Star Rating => 3 stars:** To equal or exceed a three star rating as determined by the Morningstar overall rating.

**Consistency of Style => 4 of 6 qtrs.:** A similar style classification consistent with the investment category outlined in the Investment Policy as identified by Morningstar style box rating system for a period of 4 of 6 quarters.

**Overall Pass/Fail:** The fund is measured against the 8 criteria listed above. At the end of each quarter, each fund must meet or exceed 5 of the 8 or 65% of the criteria in order to receive a pass status. If less than 5 criteria are met or exceeded, the fund will receive a fail status (excluding index funds).

**Watch List Status:** The fund is measured against the 8 criteria listed above. At the end of each quarter, each fund must meet or exceed 5 of the 8 or 65% of the criteria in order to receive a pass status. If less than 5 criteria are met or exceeded, the fund will receive a fail status (excluding index and bond funds). If for one quarter, the fund has received a fail status, the fund will be placed on the Watch List.

**Fund Review:** If for a period of 4 consecutive quarters, the fund has received a fail status, the fund will be placed under formal fund review.

Current Investment Options			
Fund	Ticker	Benchmark	Universe
PIMCO Total Return Institutional Fund	PTTRX	Lehman Aggregate Bond Index	Core Fixed Income Universe
Oppenheimer Capital Income A	OPPEX	60% S&P 500 / 40% Lehman Agg.	Balanced Universe
Vanguard Institutional Index Inst Pl	VINIX	S&P 500 Index	Large Cap Blend Universe
Dodge & Cox Stock Fund	DODGX	Russell 1000 Value Index	Large Cap Value Universe
American Century Ultra Inv	TWCUX	Russell 1000 Growth Index	Large Cap Growth Universe
Franklin Small-Mid Cap Growth A	FRSGX	Russell Mid Cap Growth Index	Mid Cap Growth Universe
T. Rowe Price Mid Cap	TRMCX	Russell Mid Cap Value Index	Mid Cap Value Universe
Brazos MicroCap Y	BJMIX	Russell 2000 Growth Index	Small Cap Growth Universe
Fidelity Diversified International	FDIVX	MSCI EAFE Index	International Equity Universe
American Funds EuroPacific A	AEPGX	MSCI EAFE Index	International Equity Universe

### Summary and Conclusions

- As of March 31, 2006, assets in the 401(k) Plan increased approximately \$127.3 million from \$1.39 billion to almost \$1.52 billion. The increase was comprised of \$87.3 million of net contributions coupled with \$40.0 million of investment gains. Guaranteed Certificates (23.4%) and the Stable Value Fund (23.2%) were the largest holdings in the Plan.
- As of March 31, 2006, assets in the 457 Plan increased \$2.7 million from \$835.5 million to \$838.2 million. Investment earnings of \$16.7 million were offset by \$14.0 million in net withdrawals from the Plan. The majority of Plan assets were invested in Guaranteed Certificates (50.5%) and the Stable Value Fund (22.0%).
- The **PIMCO Total Return Fund** lost 0.5% for the first quarter of 2006, while the Lehman Aggregate Bond Index lost 0.6%. Allocation to mortgages and emerging market bonds enhanced returns relative to the benchmark. Across longer study periods of 1, 3, and 5 years, the Fund performed well against the comparative Index and ranked in the top quartile of the core fixed income mutual fund universe. The Fund returned 5.9% over the 5-year period and ranked in the top decile of the comparative universe, while assuming similar volatility as the comparative Index.
- The **Oppenheimer Capital Income Fund** gained 1.1% for the 3-month period ended March 31, 2006, trailing the 2.3% gain of the Policy Index (60% S&P 500 Index / 40% Lehman Aggregate Bond Index). Although the energy sector performed well overall for the first quarter of 2006, two of the Fund's top holdings, Kinder Morgan & Kinder Morgan Management, both energy firms, lost value over the 3-month period, hurting overall equity performance. The Fund continued to trail the Policy Index over the 1-year period (5.2% vs. 7.9%). For the latest quarter and 1-year periods, the Fund ranked in the bottom quartile of the balanced mutual fund universe. Over the longer time periods of 3- and 5-years, the Fund outperformed the Policy Index (14.6% vs. 11.4%) and (5.0% vs. 4.7%), respectively. It should be noted that across the 3- and 5-year periods, the Fund assumed more risk than the benchmark, (11.2% vs. 6.4%) and (14.2% vs. 9.5%), respectively.
- The **Dodge & Cox Stock Fund** underperformed the Russell 1000 Value Index (5.3% vs. 5.9%) for the first quarter of 2006, but ranked above the median return (4.3%) of the large cap value mutual fund universe. An underweight within the telecommunications sector detracted from performance over the latest quarter. Over the 1- and 3-year periods, the Fund has produced strong returns versus the comparative Index (15.0% vs. 13.3%) and (24.2% vs. 21.8%), respectively. For the 5-year period, the Fund was a top performer, outperforming the comparative Index by 4.2% and ranking at the top of the comparative universe. Please note, the Fund's strong returns have been partially due to a foreign equity allocation whereas the benchmark has zero allocation to the foreign markets.
- The **Vanguard Institutional Index Fund** returned 4.2% for the latest quarter ended March 31, 2006, which was in-line with the return of the S&P 500 Index. Top performing sectors for the quarter were telecommunications, energy, and industrials. ExxonMobil Corp., one of the Fund's top holdings, advanced almost 9% for the quarter, aiding overall Fund performance. This Fund seeks to track the performance of the S&P 500 Index and has fulfilled its mandate for all periods measured.
- The **American Century Ultra Fund** gained 0.3% for the 3-month period ended March 31, 2006, underperforming the 3.1% gain of the Russell 1000 Growth Index. Poor individual stock performance within the healthcare sector, notably Medtronic Inc. and UnitedHealth Group Inc., hurt overall performance. Conversely, positions in International Game Technology and Goldman Sachs contributed to absolute returns. The Fund was significantly underweight within the industrials sector (which produced positive returns for the first quarter), causing overall performance to lag. Across the 1-year period, the Fund continued to perform poorly, trailing the comparative Index (7.7% vs. 13.2%). For both the 3-month and 1-year periods, the Fund ranked in the bottom quartile of the large cap growth mutual fund universe. For the 3-year period, the Fund yet again

underperformed the Index (13.0% vs. 14.8%) and ranked below the median of the comparative universe. It should be noted that the Fund's return of 2.6% over the 5-year period exceeded the 1.7% of the comparative Index while assuming lower volatility (16.7% vs. 19.0%).

- The **T. Rowe Price Mid Cap Value Fund** underperformed the Russell Mid Cap Value Index (6.0% vs. 7.6%) for the first quarter of 2006 and ranked below the median return (6.4%) of the mid cap value mutual fund universe. The Fund's underweight within the financials and materials sectors detracted from performance over the most recent quarter. The Fund continued to underperform the comparative Index for the 1-year (16.5% vs. 20.3%) and 3-year (26.7% vs. 29.2%) periods. Over the 5-year period, the Fund returned 15.7%, outpacing the 14.7% gain of the comparative Index, while assuming higher volatility (18.2% vs. 16.9%).
- The **Franklin Small-Mid Cap Growth A Fund** gained 7.5%, trailing both the 7.6% gain of the Russell Mid Cap Growth Index and the 8.9% median return of the mid cap growth mutual fund universe. The Fund outpaced the comparative Index over the 1-year (23.4% vs. 25.8%), but trailed for the 3-year (23.7% vs. 25.8%). Across the 5-year period, the Fund continued to perform poorly, returning 6.4%, trailing the 9.0% gain of the Index. **The Fund received a failing scorecard grade for the fifth consecutive quarter. Please note, Munder Mid Cap Core Growth Fund has been selected to replace the Franklin Small-Mid Cap Growth A Fund.**
- The **Brazos Micro Cap Fund** returned 17.2% for the 3-month period ended March 31, 2006, outperforming the 14.4% gain of the Russell 2000 Growth Index and ranking in the top decile of the small cap growth mutual fund universe. Two of the Fund's top holdings, American Ecology Corp. and Phase Forward Inc., contributed to overall performance with strong gains. For the 1- and 3-year periods, the Fund underperformed the comparative Index (23.3% vs. 27.8%) and (28.0% vs. 28.1%), respectively. Over the longer 5-year period, the Fund returned 7.3%, trailing the 8.6% gain of the Index and ranking below the median return (9.4%) of the comparative universe. **The Fund continues to receive a failing scorecard grade and will remain on the watchlist.**
- The **Fidelity Diversified International Fund** outpaced the MSCI EAFE Index for the first quarter of 2006 (9.7% vs. 9.4%), which placed the Fund above the median of the foreign equity mutual fund universe. The Fund continued to perform favorably versus the comparative Index across longer time periods of 1-year (28.4% vs. 24.4%), 3-years (32.5% vs. 31.1%), and 5-years (14.4% vs. 9.6%). For the 5-year period, the Fund performed at the top of the comparative universe, while assuming lower risk (17.4% vs. 18.9%).
- The **American Funds EuroPacific Growth Fund** trailed the MSCI Net EAFE Index (7.5% vs. 9.4%) for the 3-month period ended March 31, 2006 and ranked at the bottom of the foreign equity mutual fund universe. An overweight within the information technology sector, combined with an underweight within the materials sector, detracted from performance over the near-term. The Fund's internet software & services holdings along with its pharmaceutical holdings both hurt performance as well. Across longer time periods, the Fund produced strong returns versus the comparative Index and ranked in the top quartile of the comparative universe. For the 5-year period, the Fund returned 11.4%, outperforming the 9.6% gain of the Index, while assuming lower volatility (18.3% vs. 18.9%).
- The five **SSgA Age-Based Funds** are benchmarked versus composites which reflect their target asset allocations. For all periods analyzed, the SSgA Age Based Funds were in-line with their respective benchmarks. These Funds were added to the investment line-up on July 22, 2005. Please note, the composition of the Funds should be the primary qualitative measure and the absolute return and levels of volatility should be the primary quantitative benchmark. It should be noted that 3- and 5-year returns are hypothetical (inception of the Funds were March 4, 2005).



## Stable Value Fund

### Fund Characteristics

Total Assets	\$532.4 million
Average Duration	3.31 years
Average Credit Quality	AA+

### Investment Allocation

Traditional GICs	2.4%
Synthetic GICs	93.2
Liquidity Buffer (STIF)	4.4
<b>Total</b>	<b>100.0%</b>

### Credit Quality

STIF/A-1	6.3%
Treasury	5.3
Agency	31.5
AAA	25.6
AA+	0.1
AA	3.8
AA-	3.0
A+	6.3
A	6.5
A-	2.6
BBB+	2.1
BBB	4.1
BBB-	2.2
BB+ and below	0.6

### Investment Allocation

#### Traditional GICs

Business Mens Assur.	0.1%
Canada Life Assur.	0.7
Genworth Life Ins.	0.6
Travelers Life Ins.	1.0

#### Synthetic GICs

Agency	3.5
Asset Backed	7.7
CMBS	15.0
Corporate	30.3
Mortgage	26.9
STIF	1.8
US Treasury	5.1
Wrapper Exposure	2.9

#### Liquidity Buffer

STIF	4.4
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## PIMCO Total Return Institutional Fund

PTTRX

### Fund Profile

Total Fund Assets	\$92.9 billion
Total Holdings	12,198
Inception Date	May 1987
Fund Manager	William H. Gross
Manager Tenure	18 years
Expense Ratio	0.43%
Morningstar Rating	★★★★★ (out of 5)

### Key Characteristics

Average Maturity	5.03 years
Estimated Duration	4.83 years
Average Credit Quality	AAA
Average Coupon	4.81 years

### Top Sectors

Mortgage-Backed	59.0%
Cash & Equivalents	28.0
Corporate	10.0
High Yield	3.0
Emerging Markets	2.0
Investment Grade Corp.	1.0
Other	1.0
Non-US \$ Developed	-4.0
<b>Total</b>	<b>100.0%</b>

### Maturity

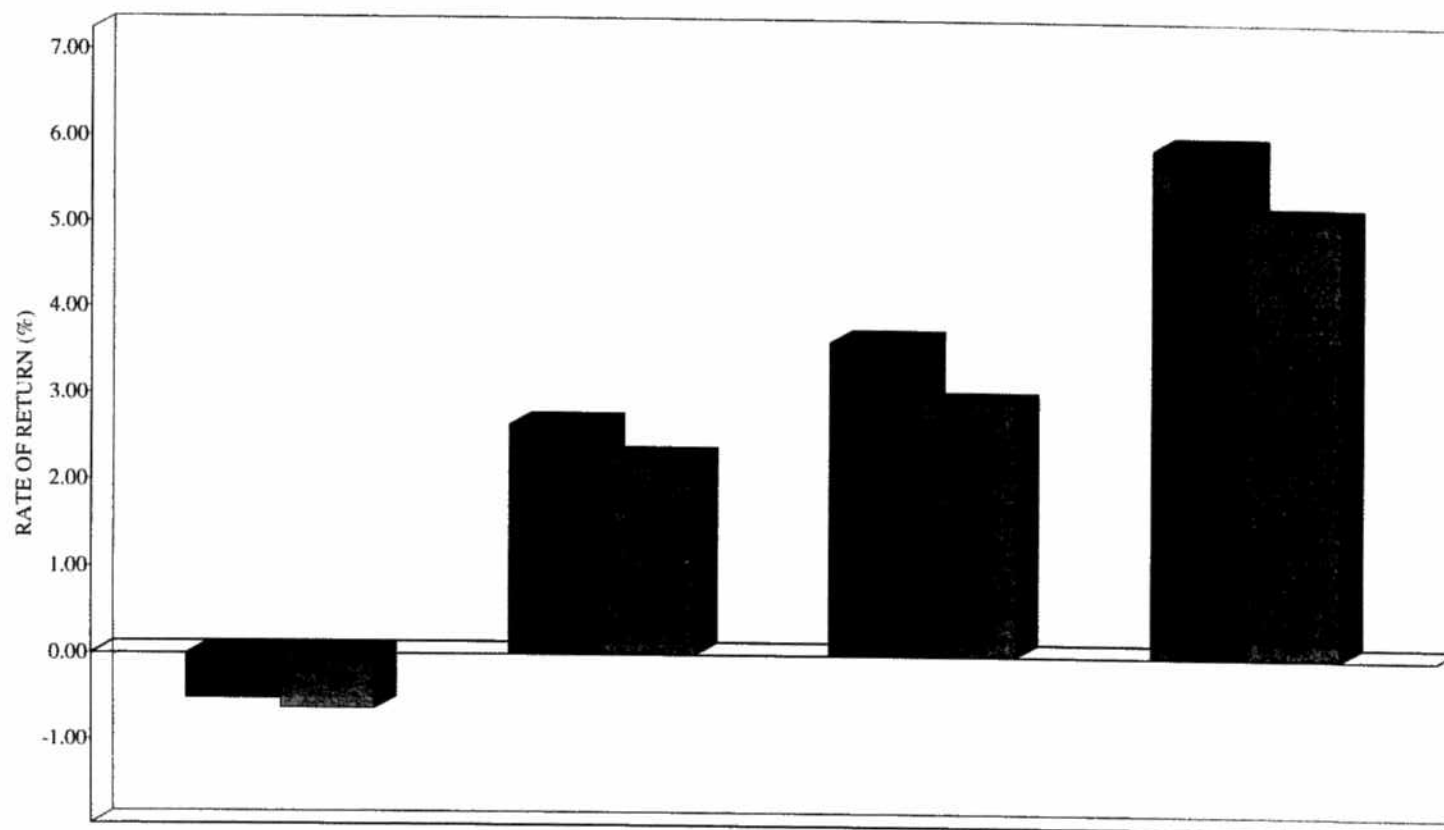
0 – 1 years	28.0%
1 – 3 years	15.0
3 – 5 years	8.0
5 – 10 years	42.0
10 – 20 years	7.0

### Quality \*

A1/P1	25.0%
AAA	61.0
AA	5.0
A	4.0
Below A1/P1	1.0
BAA	2.0
BB	1.0
B	1.0

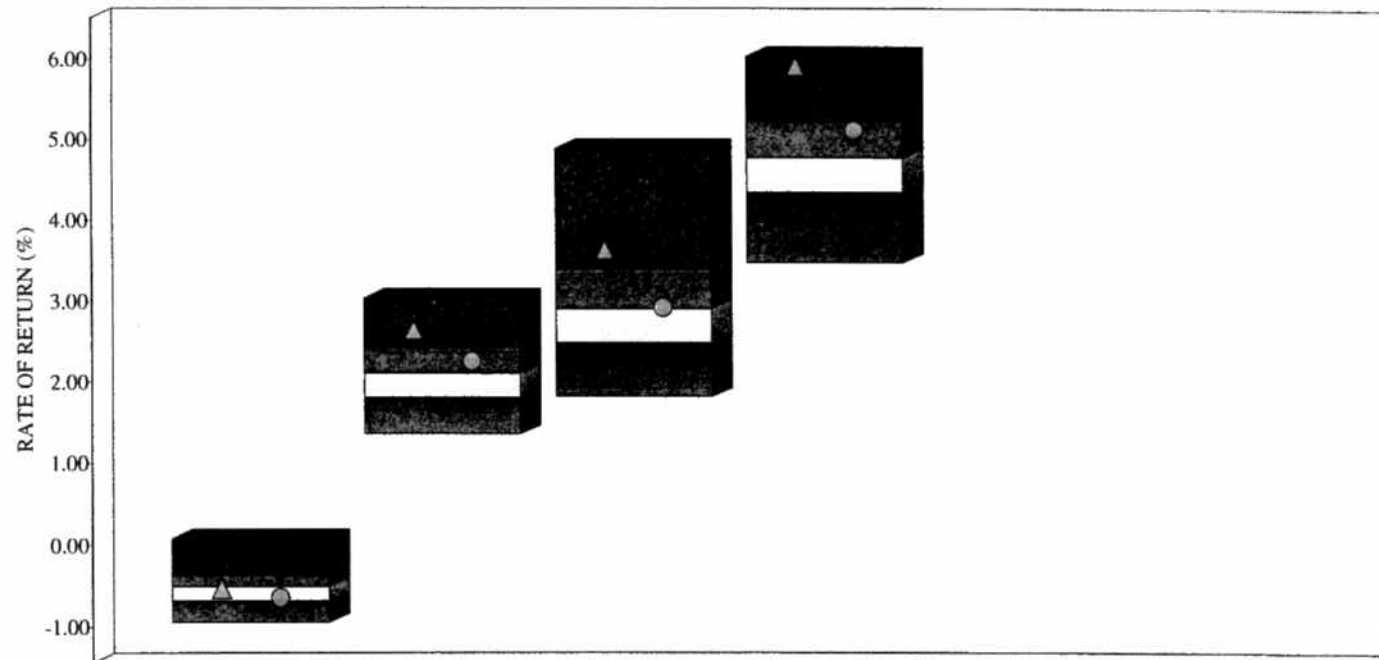
\* Includes Commercial Paper

STATE OF SOUTH CAROLINA 401(K) & 457 PLANS  
PIMCO TOTAL RETURN INSTITUTIONAL FUND  
TIME-WEIGHTED RETURNS  
MARCH 31, 2001 THROUGH MARCH 31, 2006



	LATEST QUARTER	ONE YEAR	THREE YEARS	FIVE YEARS
PIMCO	-0.53	2.65	3.63	5.91
LB AGGREGATE BOND	-0.64	2.26	2.93	5.11

**STATE OF SOUTH CAROLINA 401(K) & 457 PLANS  
QUARTILE RANKING ANALYSIS  
TOTAL FUND AGAINST CORE FIXED INCOME MUTUAL FUNDS  
MARCH 31, 2001 THROUGH MARCH 31, 2006**

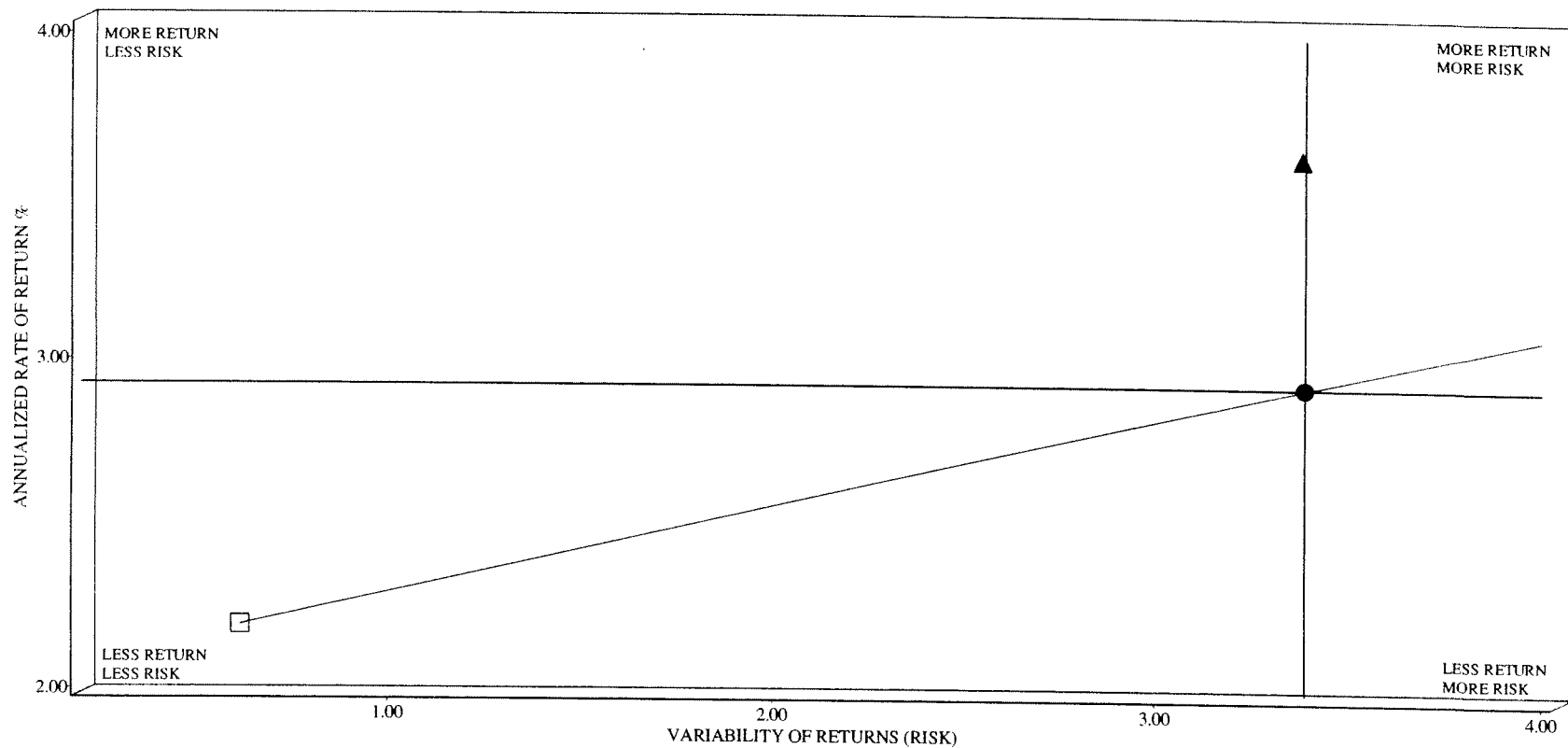


	<u>LATEST QUARTER</u>	<u>ONE YEAR</u>	<u>THREE YEARS</u>	<u>FIVE YEARS</u>
HIGHEST VALUE	0.08	3.04	4.88	6.03
FIRST QUARTILE	-0.37	2.42	3.39	5.21
MEDIAN VALUE	-0.51	2.11	2.91	4.77
THIRD QUARTILE	-0.68	1.81	2.48	4.34
LOWEST VALUE	-0.95	1.35	1.81	3.47
MEAN	-0.51	2.13	2.97	4.77

	<u>LATEST QUARTER</u>		<u>ONE YEAR</u>		<u>THREE YEARS</u>		<u>FIVE YEARS</u>	
	RETURN	RANK	RETURN	RANK	RETURN	RANK	RETURN	RANK
▲ PIMCO	-0.53	52	2.65	12	3.63	16	5.91	3
● I.B. AGGREGATE BOND	-0.64	68	2.26	38	2.93	49	5.11	27

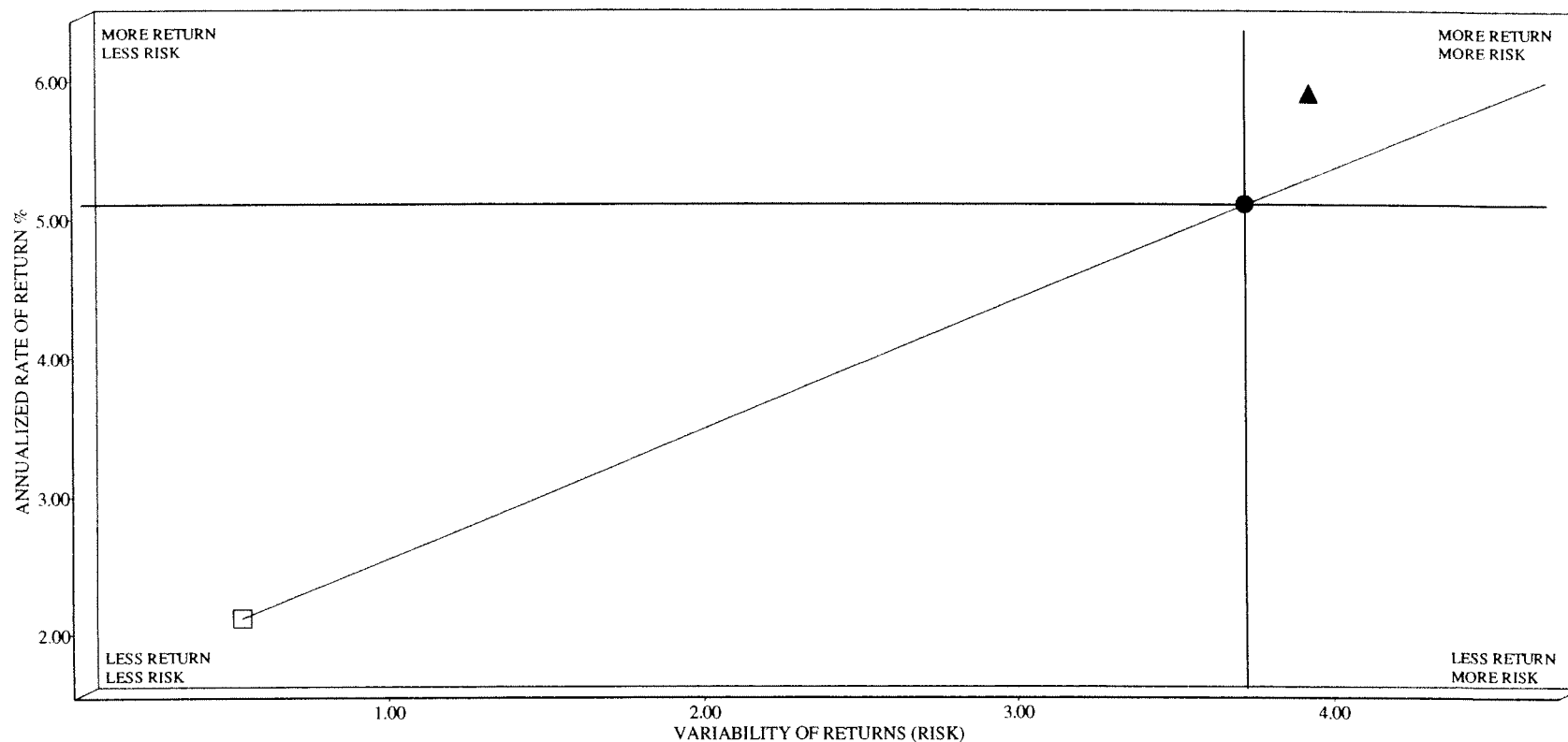
Source: Morningstar, Inc.

STATE OF SOUTH CAROLINA 401(K) & 457 PLANS  
PIMCO TOTAL RETURN INSTITUTIONAL FUND  
CAPITAL MARKET LINE  
MARCH 31, 2003 THROUGH MARCH 31, 2006



	RETURN	STD DEV	SHARPE RATIO	ALPHA	R-SQUARED
▲ TOTAL FUND	3.63	3.38	0.42	0.69	99.16
● LB AGGREGATE BOND	2.93	3.39	0.22	0.00	100.00
□ 90 DAY U.S. T-BILL	2.20	0.62	0.00	0.00	100.00

STATE OF SOUTH CAROLINA 401(K) & 457 PLANS  
PIMCO TOTAL RETURN INSTITUTIONAL FUND  
CAPITAL MARKET LINE  
MARCH 31, 2001 THROUGH MARCH 31, 2006



	RETURN	STD DEV	SHARPE RATIO	ALPHA	R-SQUARED
▲ TOTAL FUND	5.91	3.93	0.97	0.76	91.25
● LB AGGREGATE BOND	5.11	3.73	0.80	0.00	100.00
□ 90 DAY U.S. T-BILL	2.12	0.55	0.00	0.00	100.00

## Oppenheimer Capital Income A Fund

OPPEX

### Fund Profile

Total Fund Assets	\$3.1 billion
Total Holdings	408
Inception Date	December 1970
Fund Management	Michael Levine
Manager Tenure	7 years
Expense Ratio	0.89%
Morningstar Rating	★★★ (out of 5)

### Portfolio Composition

Equity	68.4%
Bonds	23.9
Cash & Cash Equivalents	7.7

### Top 10 Holdings (%)

Kinder Morgan Mgmt.	5.1%
Altira Group, Inc.	5.0
Kinder Morgan, Inc.	4.5
Citigroup, Inc.	3.7
Liberty Media Corp.	3.5
Everest Re Group	3.3
CSK Auto Corp.	2.4
Bank of America Corp.	2.3
Cendant Corp.	2.1
US Long Bonds Futures	2.0

**% of Total Assets 33.9%**

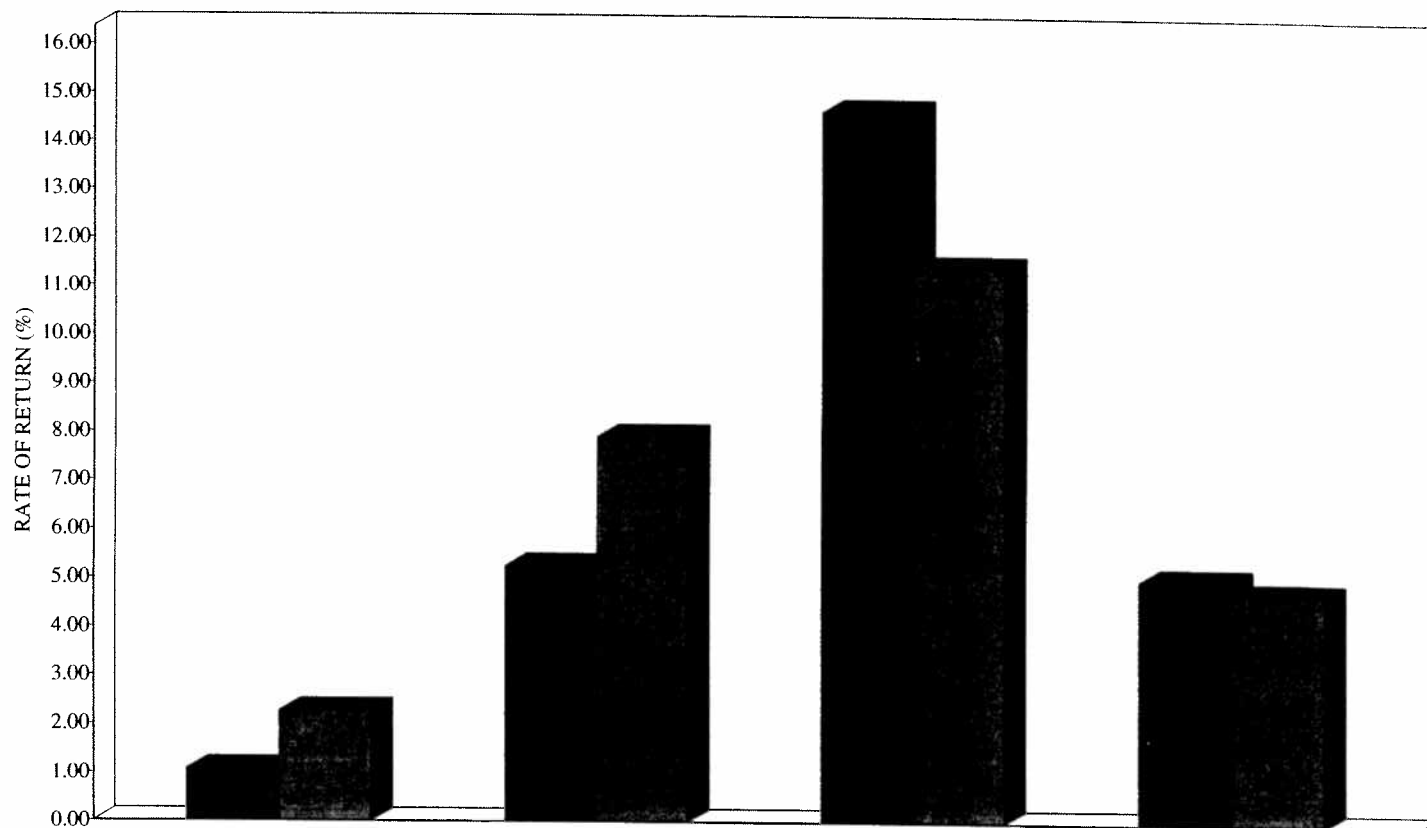
### Top Sectors (%)

Financials	18.5%
Consumer Discretionary	13.9
Energy	13.7
Consumer Staples	7.8
Industrials	5.4
Information Technology	3.1
Telecommunications	2.4
Healthcare	2.0
Utilities	1.4
Materials	0.3

### Equity Portfolio

P/E Ratio	17.0x
P/B Ratio	2.3x
Turnover Ratio	55%
Geo. Mkt. Cap.	16.3 billion

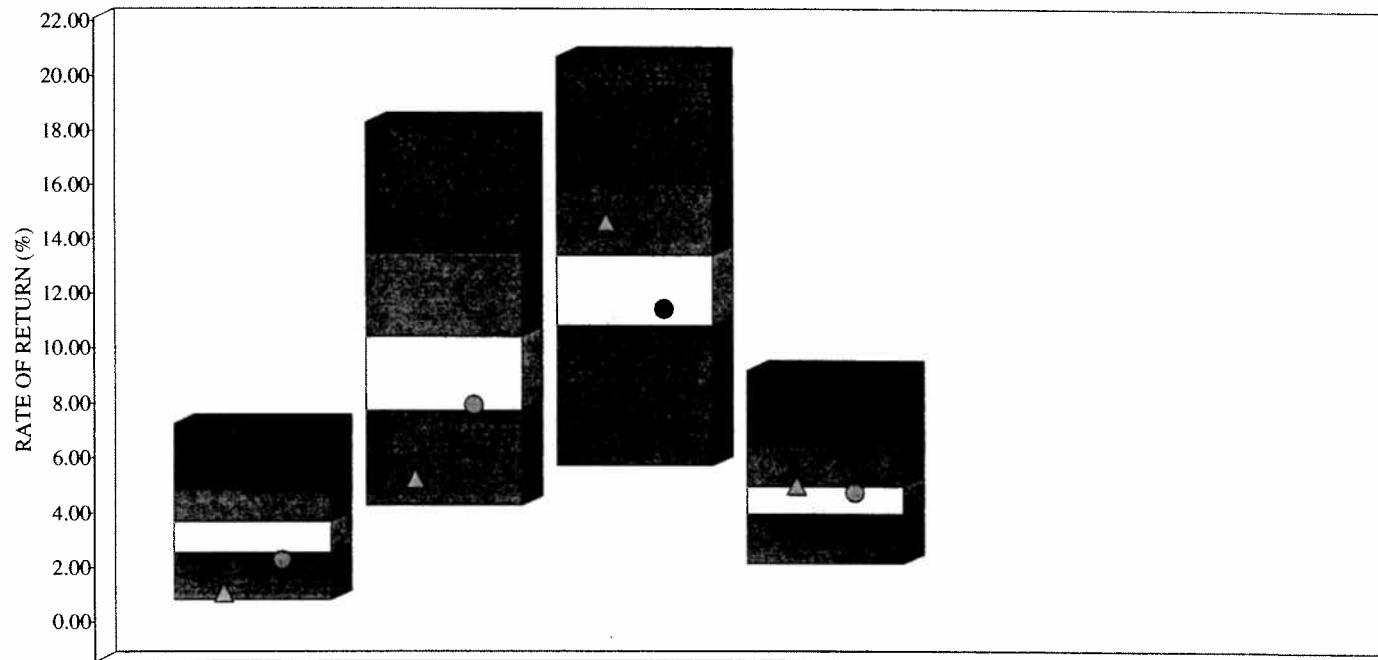
STATE OF SOUTH CAROLINA 401(K) & 457 PLANS  
 OPPENHEIMER CAPITAL INCOME A  
 TIME-WEIGHTED RETURNS  
 MARCH 31, 2001 THROUGH MARCH 31, 2006



	LATEST QUARTER	ONE YEAR	THREE YEARS	FIVE YEARS
OPPENHEIMER CAPITAL	1.06	5.24	14.64	5.00
POLICY INDEX	2.25	7.92	11.41	4.74



## STATE OF SOUTH CAROLINA 401(K) & 457 PLANS QUARTILE RANKING ANALYSIS TOTAL FUND AGAINST BALANCED MUTUAL FUNDS MARCH 31, 2001 THROUGH MARCH 31, 2006

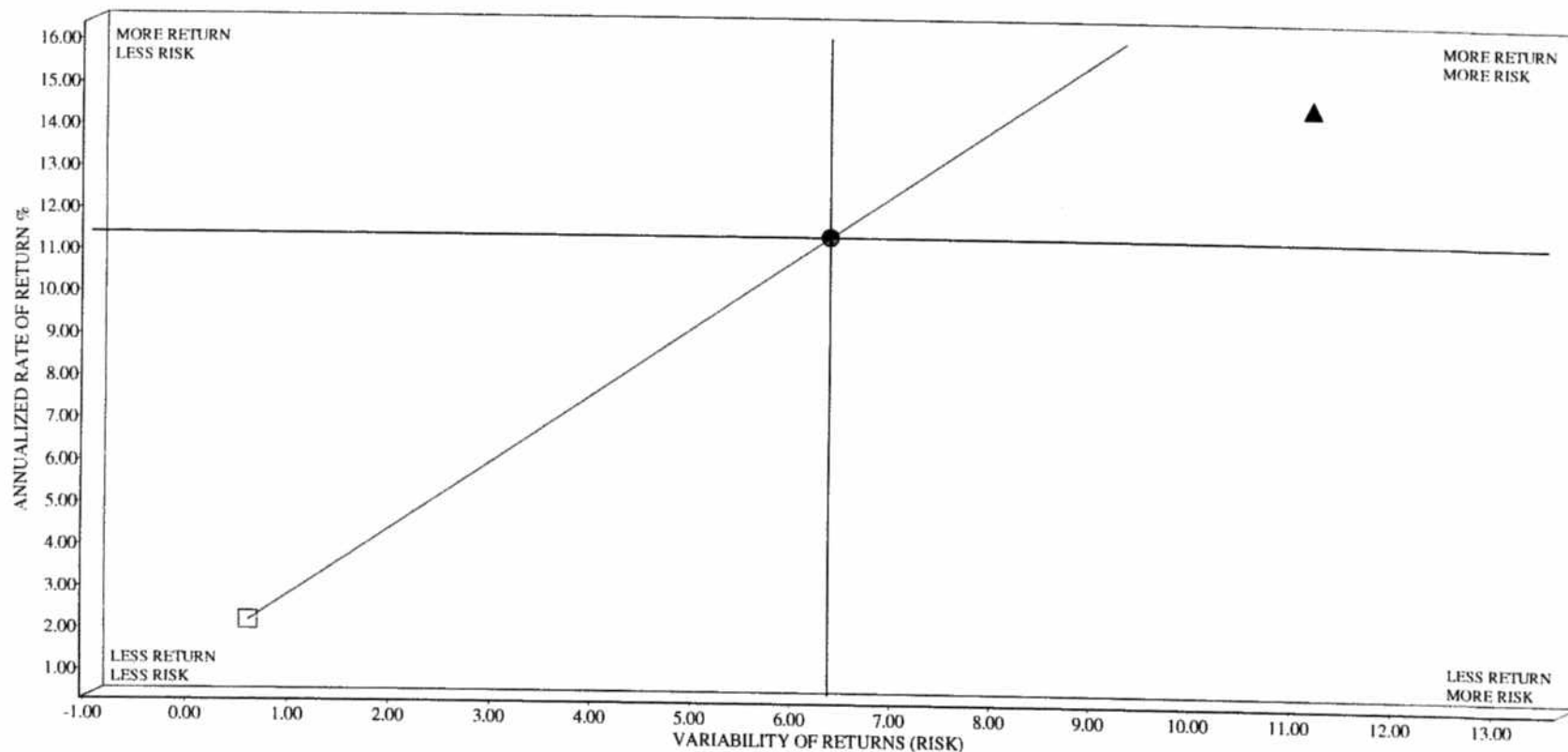


	<u>LATEST QUARTER</u>	<u>ONE YEAR</u>	<u>THREE YEARS</u>	<u>FIVE YEARS</u>
HIGHEST VALUE	7.25	18.29	20.69	9.18
FIRST QUARTILE	4.85	13.47	15.99	6.38
MEDIAN VALUE	3.67	10.40	13.38	4.96
THIRD QUARTILE	2.50	7.70	10.76	3.92
LOWEST VALUE	0.79	4.25	5.69	2.11
MEAN	3.66	10.58	13.35	5.18

	<u>LATEST QUARTER</u>		<u>ONE YEAR</u>		<u>THREE YEARS</u>		<u>FIVE YEARS</u>	
	RETURN	RANK	RETURN	RANK	RETURN	RANK	RETURN	RANK
▲ OPPENHEIMER CAPITAL	1.06	98	5.24	94	14.64	36	5.00	49
● POLICY INDEX	2.25	79	7.92	74	11.41	69	4.74	54

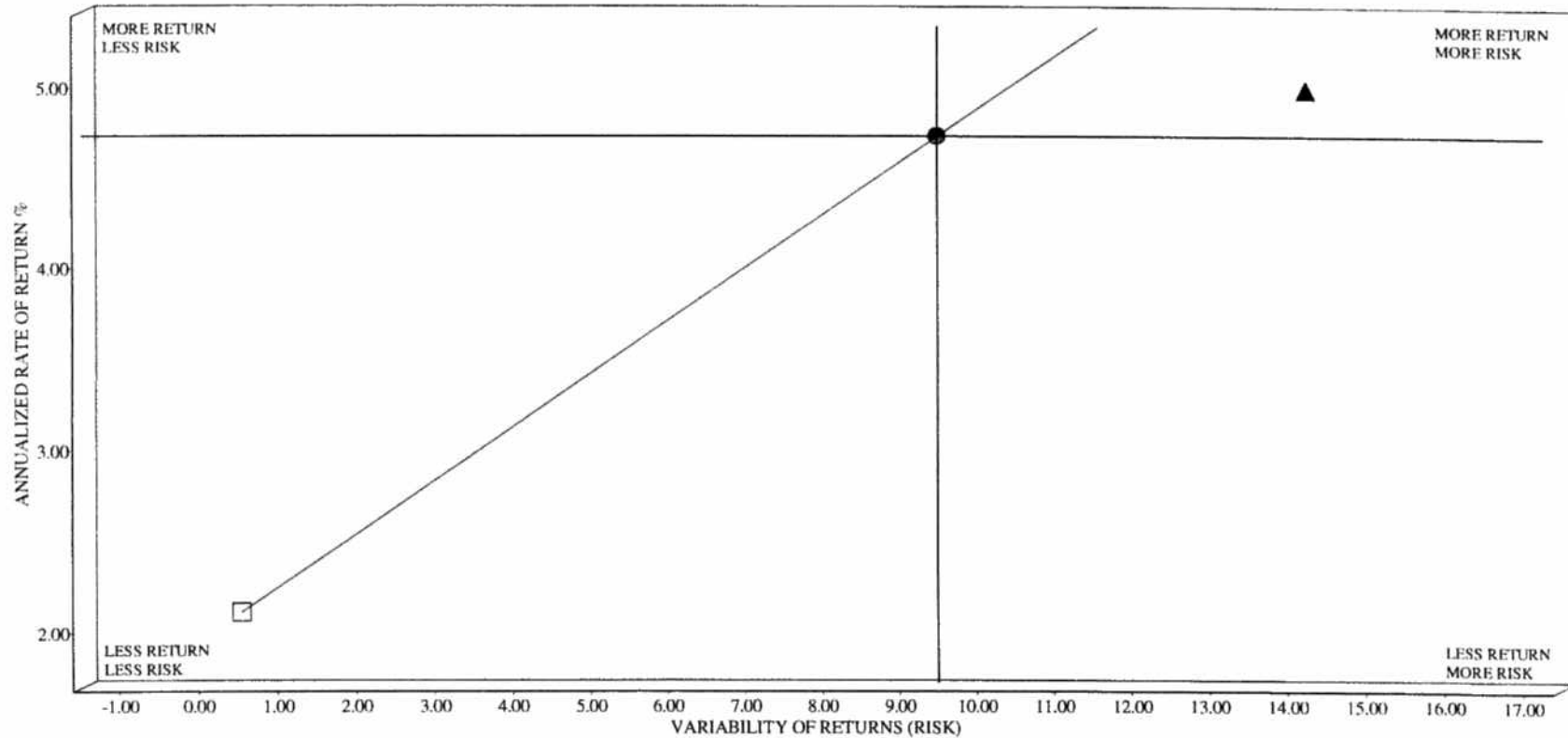
Source: Morningstar, Inc.

STATE OF SOUTH CAROLINA 401(K) & 457 PLANS  
 OPPENHEIMER CAPITAL INCOME A  
 CAPITAL MARKET LINE  
 MARCH 31, 2003 THROUGH MARCH 31, 2006



	RETURN	STD DEV	SHARPE RATIO	ALPHA	R-SQUARED
▲ TOTAL FUND	14.64	11.20	1.11	-2.86	95.01
● POLICY INDEX	11.41	6.38	1.44	0.00	100.00
□ 90 DAY U.S. T-BILL	2.20	0.62	0.00	0.00	100.00

STATE OF SOUTH CAROLINA 401(K) & 457 PLANS  
 OPPENHEIMER CAPITAL INCOME A  
 CAPITAL MARKET LINE  
 MARCH 31, 2001 THROUGH MARCH 31, 2006



	RETURN	STD DEV	SHARPE RATIO	ALPHA	R-SQUARED
▲ TOTAL FUND	5.00	14.24	0.20	-0.56	94.41
● POLICY INDEX	4.74	9.50	0.28	0.00	100.00
□ 90 DAY U.S. T-BILL	2.12	0.55	0.00	0.00	100.00

## Dodge & Cox Stock Fund

DODGX

### Fund Profile

Total Fund Assets	\$56.5 billion
Total Holdings	85
Inception Date	January 1965
Fund Management	Team
Manager Tenure	NA
Expense Ratio	0.52%
Morningstar Rating	★★★★★ (out of 5)

### Portfolio Composition

Equity	93.1%
Bonds	0.0
Cash & Cash Equivalents	6.9

### Top 10 Holdings (%)

Hewlett-Packard Co.	3.8%
Sony Corp. ADR (Japan)	3.0
Comcast Corp. A	2.8
Cardinal Health, Inc.	2.7
News Corp. A	2.7
Matsushita Electric Ind.	2.5
Union Pacific Corp.	2.5
Fedex Corp.	2.3
Pfizer, Inc.	2.3
Time Warner, Inc.	2.2
<b>% of Total Assets</b>	<b>26.8%</b>

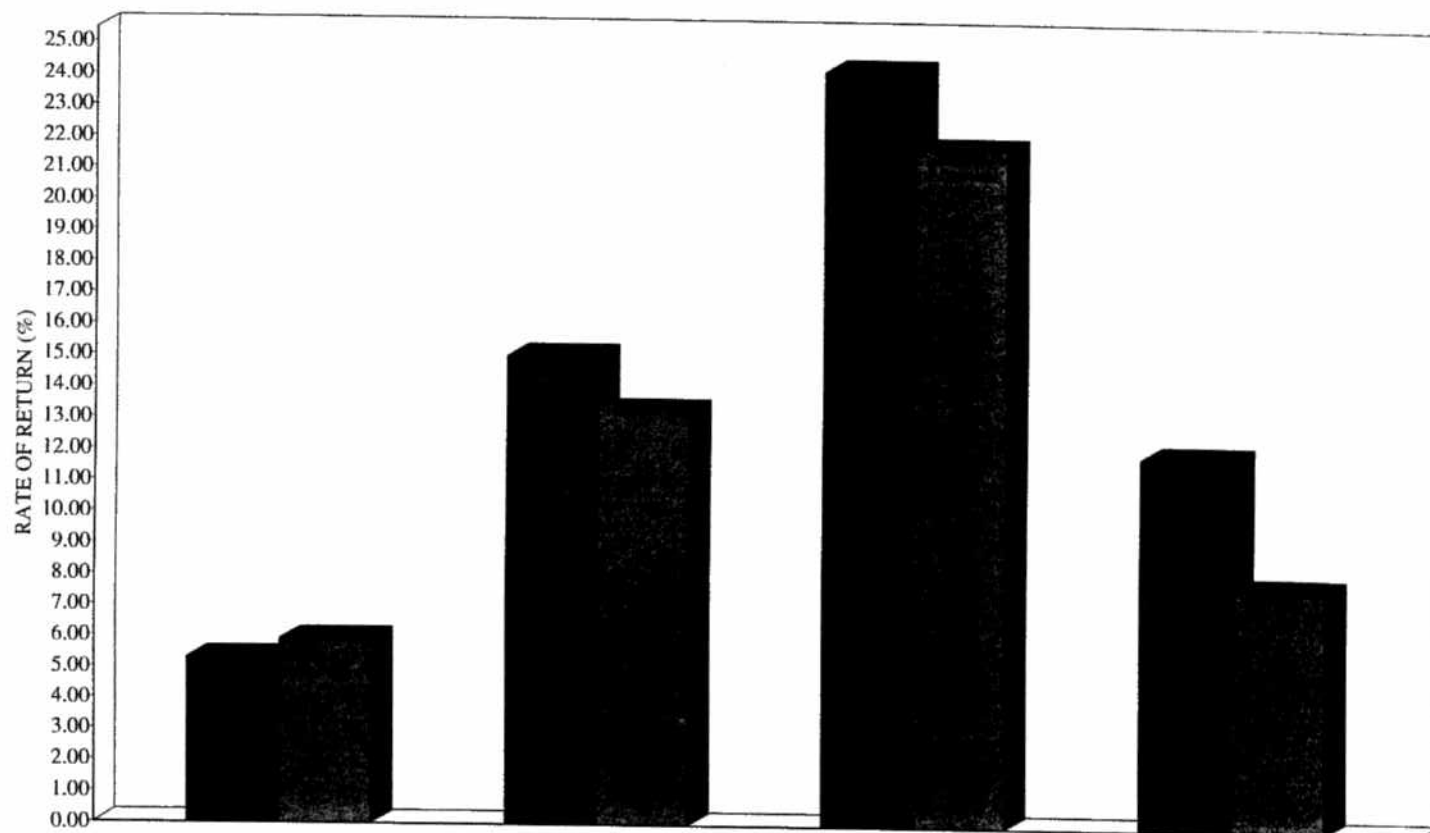
### Sector Allocation (%)

Consumer Discretionary	19.6%
Financials	15.9
Healthcare	15.3
Information Technology	13.5
Energy	8.9
Industrials	7.7
Materials	5.5
Consumer Staples	4.1
Utilities	1.6
Telecommunications	1.0

### Equity Portfolio

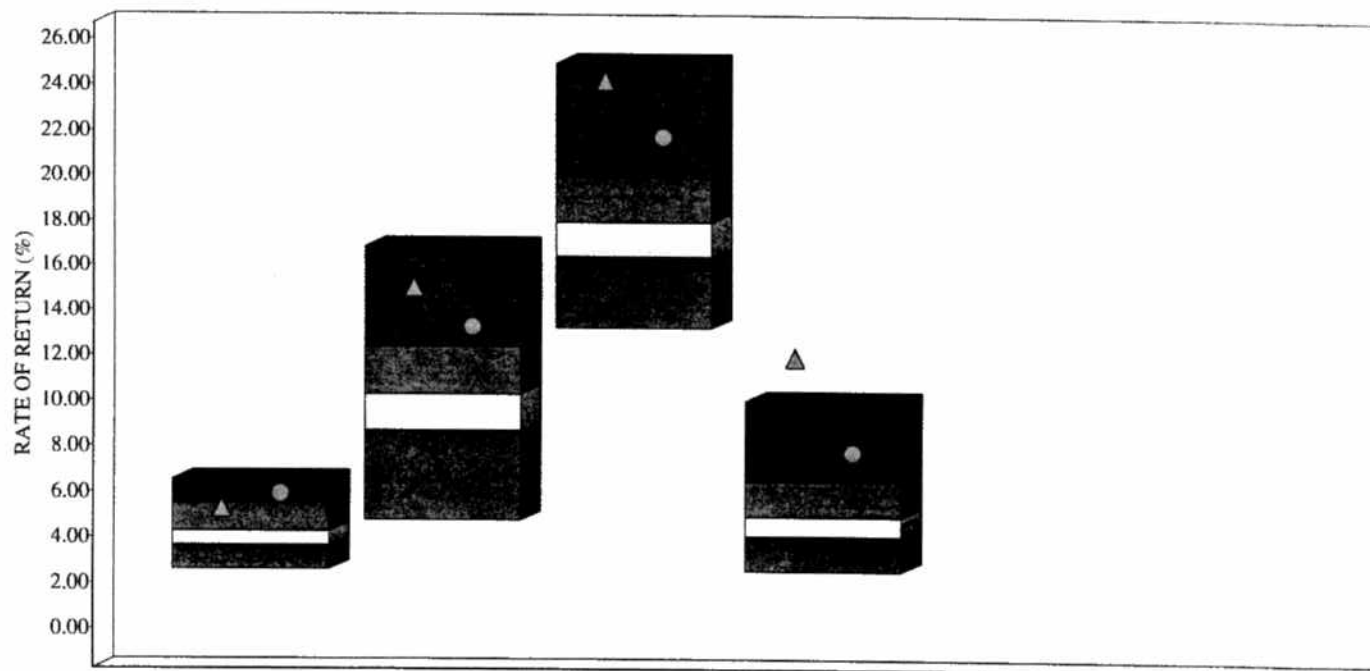
P/E Ratio	15.8x
P/B Ratio	2.1x
Turnover Ratio	12%
Median Mkt Cap.	\$20.0 billion

STATE OF SOUTH CAROLINA 401(K) & 457 PLANS  
DODGE AND COX STOCK FUND  
TIME-WEIGHTED RETURNS  
MARCH 31, 2001 THROUGH MARCH 31, 2006



	LATEST QUARTER	ONE YEAR	THREE YEARS	FIVE YEARS
DODGE AND COX STOCK	5.30	15.02	24.24	11.97
RUSSELL 1000 VALUE	5.92	13.29	21.76	7.79

**STATE OF SOUTH CAROLINA 401(K) & 457 PLANS  
QUARTILE RANKING ANALYSIS  
TOTAL FUND AGAINST LARGE CAP VALUE MUTUAL FUNDS  
MARCH 31, 2001 THROUGH MARCH 31, 2006**



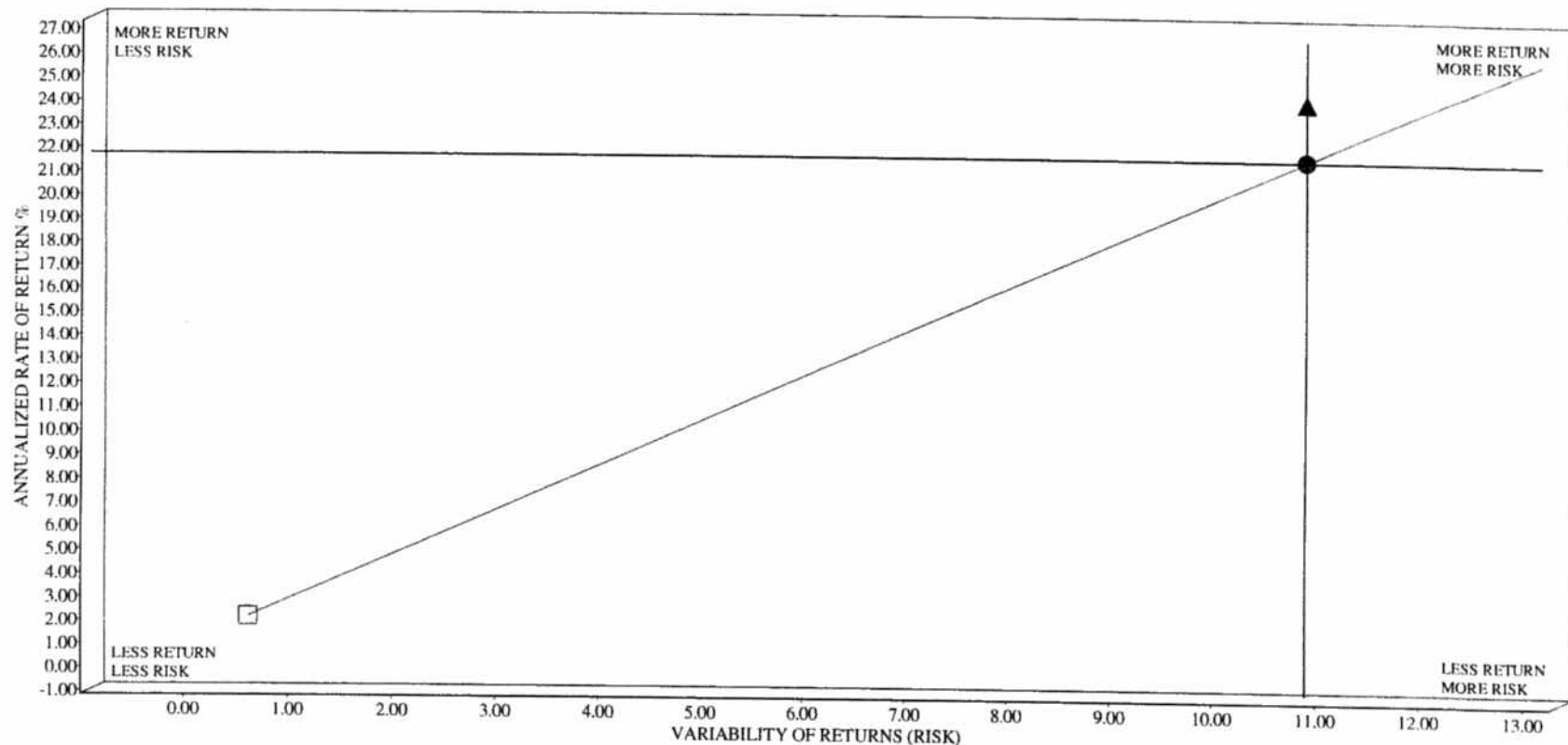
	LATEST QUARTER		ONE YEAR		THREE YEARS		FIVE YEARS	
▲ HIGHEST VALUE	6.53		16.86		24.99		10.05	
■ FIRST QUARTILE	5.49		12.39		19.91		6.50	
— MEDIAN VALUE	4.28		10.31		17.95		4.99	
■ THIRD QUARTILE	3.62		8.68		16.42		4.09	
■ LOWEST VALUE	2.57		4.76		13.23		2.53	
● MEAN	4.46		10.54		18.31		5.37	

	LATEST QUARTER		ONE YEAR		THREE YEARS		FIVE YEARS	
	RETURN	RANK	RETURN	RANK	RETURN	RANK	RETURN	RANK
▲ DODGE AND COX STOCK	5.30	28	15.02	7	24.24	2	11.97	1
● RUSSELL 1000 VALUE	5.92	10	13.29	14	21.76	9	7.79	10

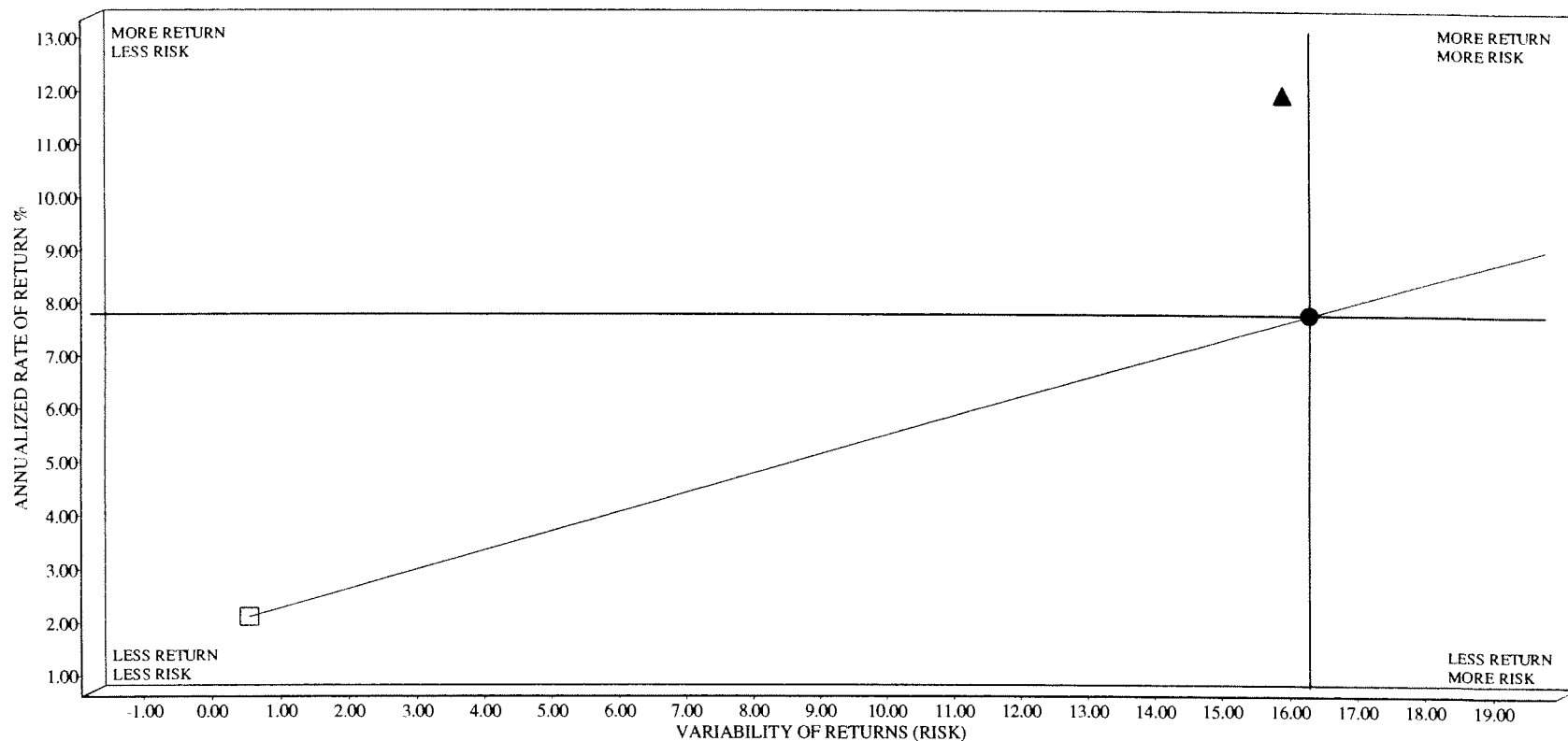
Source: Morningstar, Inc.

STATE OF SOUTH CAROLINA 401(K) & 457 PLANS  
DODGE AND COX STOCK FUND  
CAPITAL MARKET LINE  
MARCH 31, 2003 THROUGH MARCH 31, 2006



	RETURN	STD DEV	SHARPE RATIO	ALPHA	R-SQUARED
▲ TOTAL FUND	24.24	10.90	2.02	2.77	92.96
● RUSSELL 1000 VALUE	21.76	10.90	1.79	0.00	100.00
□ 90 DAY U.S. T-BILL	2.20	0.62	0.00	0.00	100.00

## STATE OF SOUTH CAROLINA 401(K) & 457 PLANS DODGE AND COX STOCK FUND CAPITAL MARKET LINE MARCH 31, 2001 THROUGH MARCH 31, 2006



	RETURN	STD DEV	SHARPE RATIO	ALPHA	R-SQUARED
▲ TOTAL FUND	11.97	15.90	0.62	4.12	95.52
● RUSSELL 1000 VALUE	7.79	16.30	0.35	0.00	100.00
□ 90 DAY U.S. T-BILL	2.12	0.55	0.00	0.00	100.00



## Vanguard Institutional Index Fund

VIII X

### Fund Profile

Share Class Assets	\$18.3 billion
Total Holdings	509
Inception Date	July 1997
Fund Management	Donald Butler
Manager Tenure	1 year
Expense Ratio	0.025%
Morningstar Rating	★★★ (out of 5)

### Portfolio Composition

Equity	99.1%
Bonds	0.0
Cash & Cash Equivalents	0.9

### Top 10 Holdings (%)

General Electric	3.28%
ExxonMobil	3.09
Citigroup	2.17
Microsoft	2.12
Procter & Gamble	1.72
Bank of America	1.64
Johnson & Johnson	1.58
AIG	1.57
Pfizer	1.52
Altria Group	1.38
<b>% of Total Assets</b>	<b>20.07%</b>

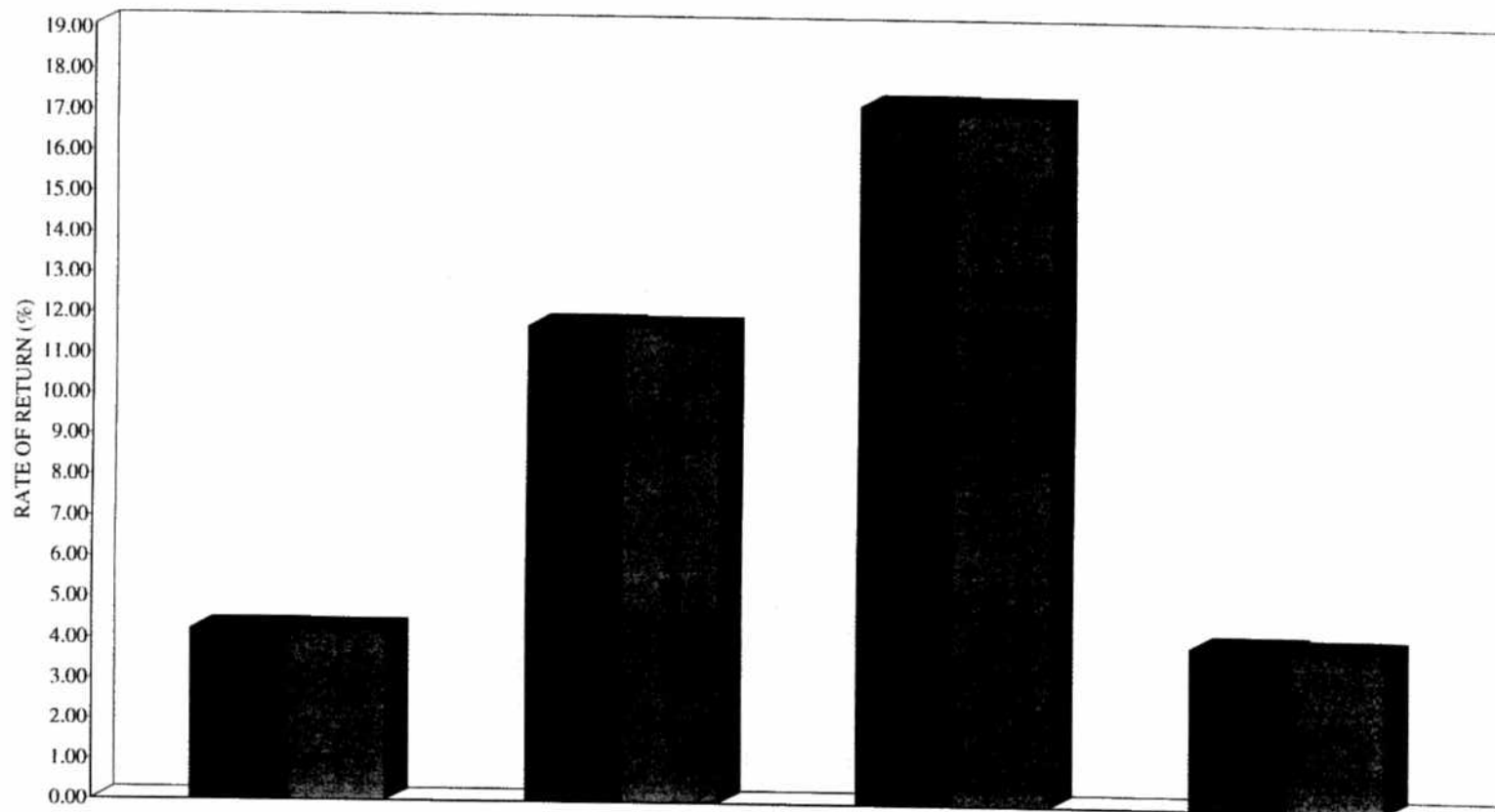
### Sector Allocation (%)

Software	3.6%
Hardware	10.1
Media	3.3
Telecommunication	3.0
Healthcare Service	13.3
Consumer Service	8.3
Business Service	3.9
Financial Service	21.0
Consumer Goods	8.6
Industrial Materials	12.2
Energy	9.4
Utilities	3.4

### Equity Portfolio

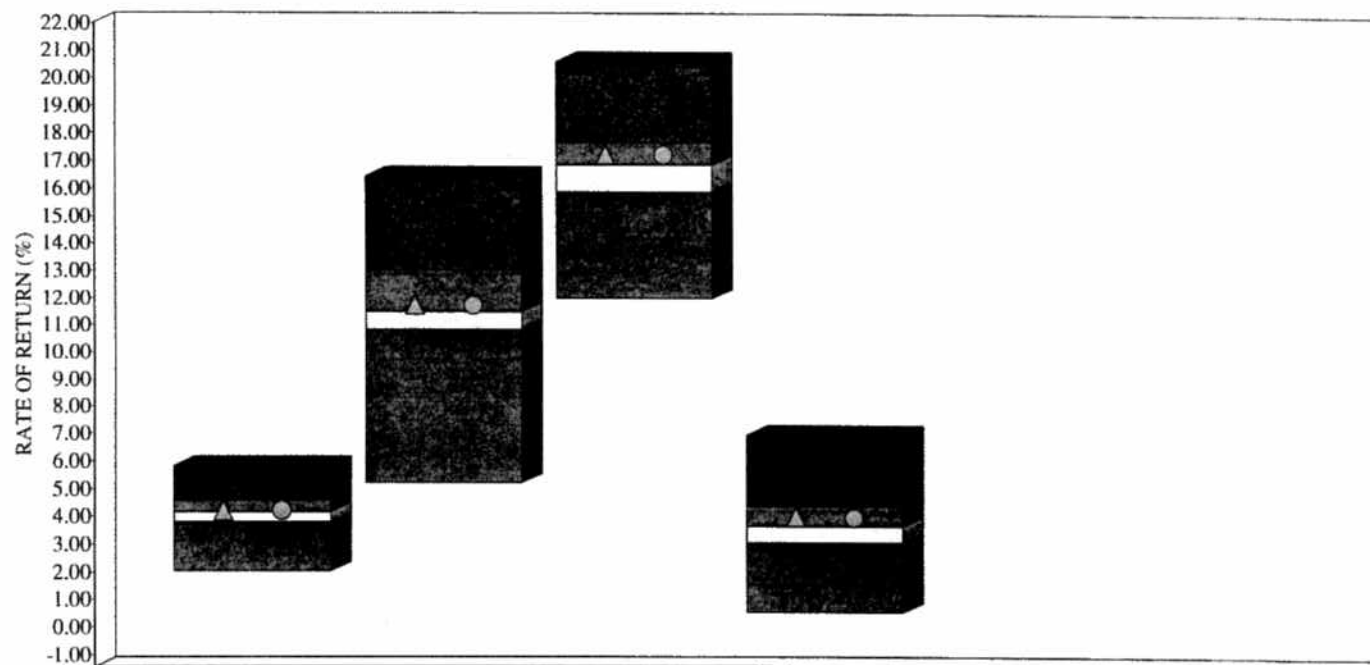
P/E Ratio	17.4x
P/B Ratio	2.8x
Turnover Ratio	8%
Median Mkt Cap.	\$52.7 billion

STATE OF SOUTH CAROLINA 401(K) & 457 PLANS  
VANGUARD INSTITUTIONAL INDEX INST PL  
TIME-WEIGHTED RETURNS  
MARCH 31, 2001 THROUGH MARCH 31, 2006



	LATEST QUARTER	ONE YEAR	THREE YEARS	FIVE YEARS
VANGUARD	4.22	11.74	17.24	4.00
S&P 500	4.21	11.71	17.21	3.96

**STATE OF SOUTH CAROLINA 401(K) & 457 PLANS  
QUARTILE RANKING ANALYSIS  
TOTAL FUND AGAINST LARGE CAP BLEND MUTUAL FUNDS  
MARCH 31, 2001 THROUGH MARCH 31, 2006**

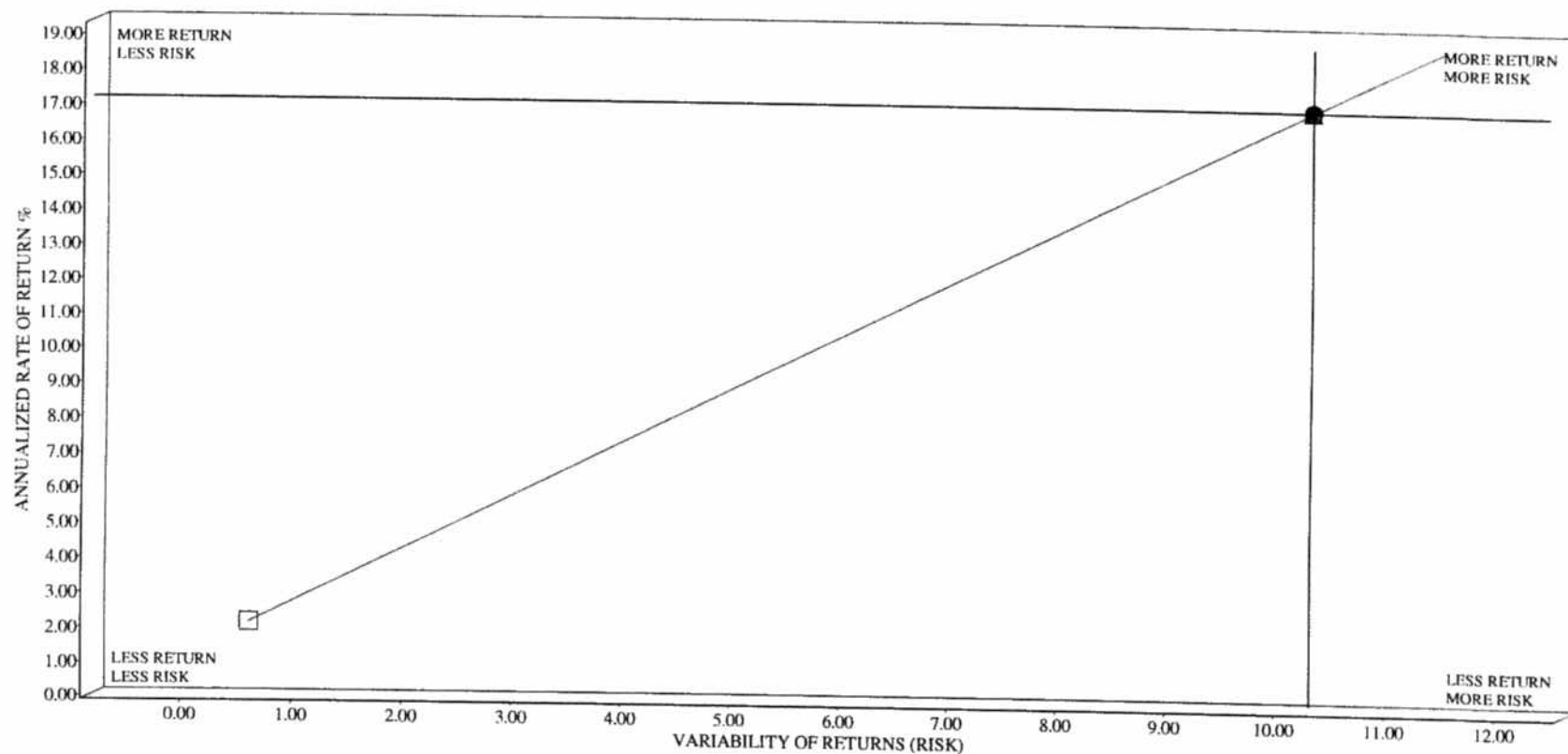


	<u>LATEST QUARTER</u>	<u>ONE YEAR</u>	<u>THREE YEARS</u>	<u>FIVE YEARS</u>
HIGHEST VALUE	5.83	16.41	20.61	6.96
FIRST QUARTILE	4.59	13.00	17.67	4.35
MEDIAN VALUE	4.17	11.48	16.86	3.65
THIRD QUARTILE	3.77	10.81	15.85	3.04
LOWEST VALUE	2.03	5.19	11.96	0.54
MEAN	4.14	11.60	16.71	3.61

	<u>LATEST QUARTER</u>		<u>ONE YEAR</u>		<u>THREE YEARS</u>		<u>FIVE YEARS</u>	
	RETURN	RANK	RETURN	RANK	RETURN	RANK	RETURN	RANK
▲ VANGUARD	4.22	37	11.74	37	17.24	30	4.00	32
● S&P 500	4.21	39	11.71	38	17.21	31	3.96	33

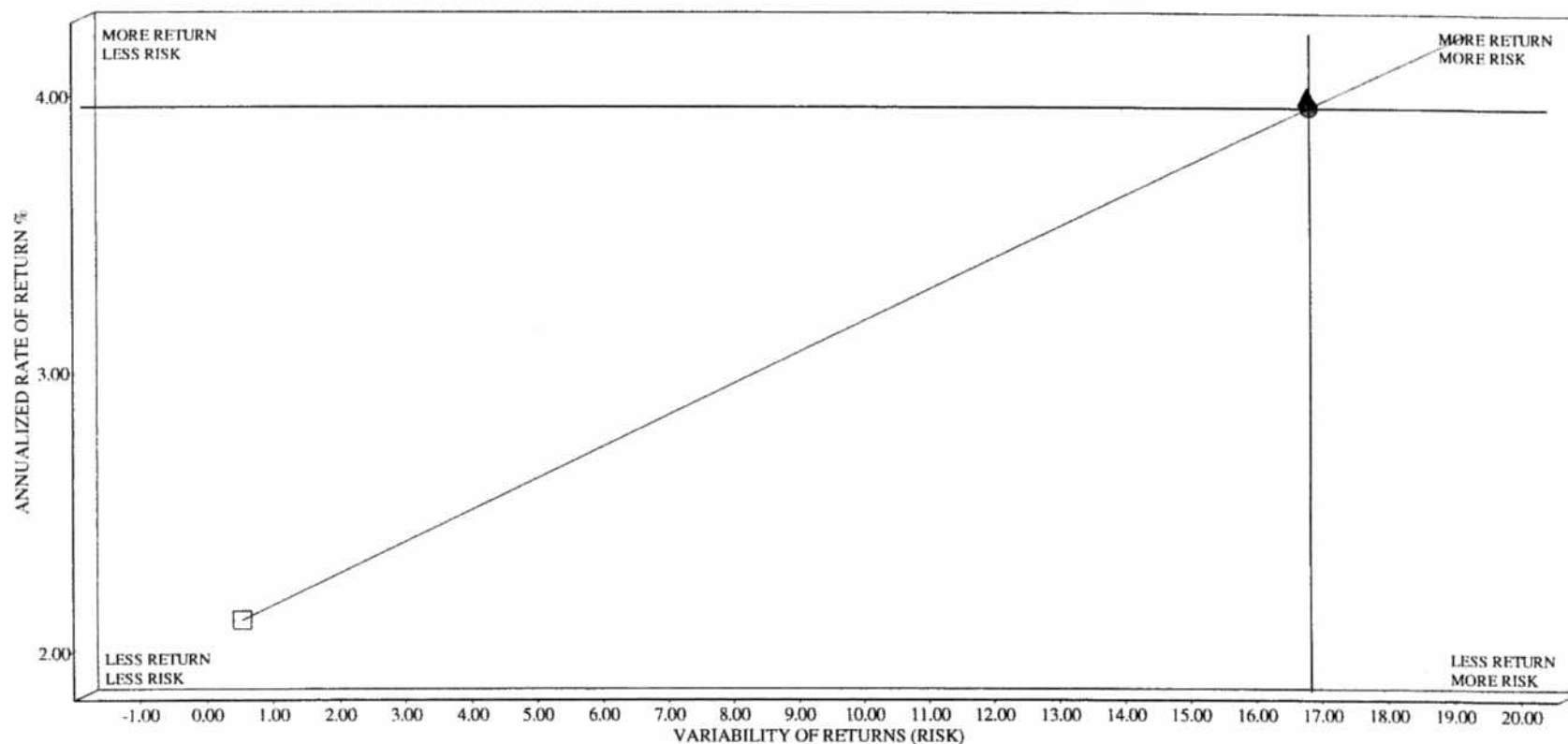
Source: Morningstar, Inc.

## STATE OF SOUTH CAROLINA 401(K) & 457 PLANS VANGUARD INSTITUTIONAL INDEX INST PL CAPITAL MARKET LINE MARCH 31, 2003 THROUGH MARCH 31, 2006



	RETURN	STD DEV	SHARPE RATIO	ALPHA	R-SQUARED
▲ TOTAL FUND	17.24	10.32	1.46	0.03	100.00
● S&P 500	17.21	10.32	1.46	0.00	100.00
□ 90 DAY U.S. T-BILL	2.20	0.62	0.00	0.00	100.00

STATE OF SOUTH CAROLINA 401(K) & 457 PLANS  
VANGUARD INSTITUTIONAL INDEX INST PL  
CAPITAL MARKET LINE  
MARCH 31, 2001 THROUGH MARCH 31, 2006



	RETURN	STD DEV	SHARPE RATIO	ALPHA	R-SQUARED
▲ TOTAL FUND	4.00	16.81	0.11	0.04	100.00
● S&P 500	3.96	16.83	0.11	0.00	100.00
□ 90 DAY U.S. T-BILL	2.12	0.55	0.00	0.00	100.00

## American Century Ultra Inv Fund

TWCUX

### Fund Profile

Fund Assets (Inv Class)	\$17.6 billion
Total Holdings	92
Inception Date	November 1981
Fund Management	Team
Manager Tenure	NA
Expense Ratio	0.99%
Morningstar Rating	★★★ (out of 5)

### Portfolio Composition

Equity	98.9%
Bonds	0.0
Cash & Cash Equivalents	1.1

### Top 10 Holdings (%)

Wal-Mart Stores Inc.	3.5%
eBay Inc.	3.1
First Data Corporation	3.1
Teva Pharmaceutical	2.9
UnitedHealth Group	2.8
IGT	2.7
Medtronic Inc.	2.5
Dell Inc.	2.5
SLM Corp.	2.4
Electronic Arts	2.4
<b>% of Total Assets</b>	<b>27.9%</b>

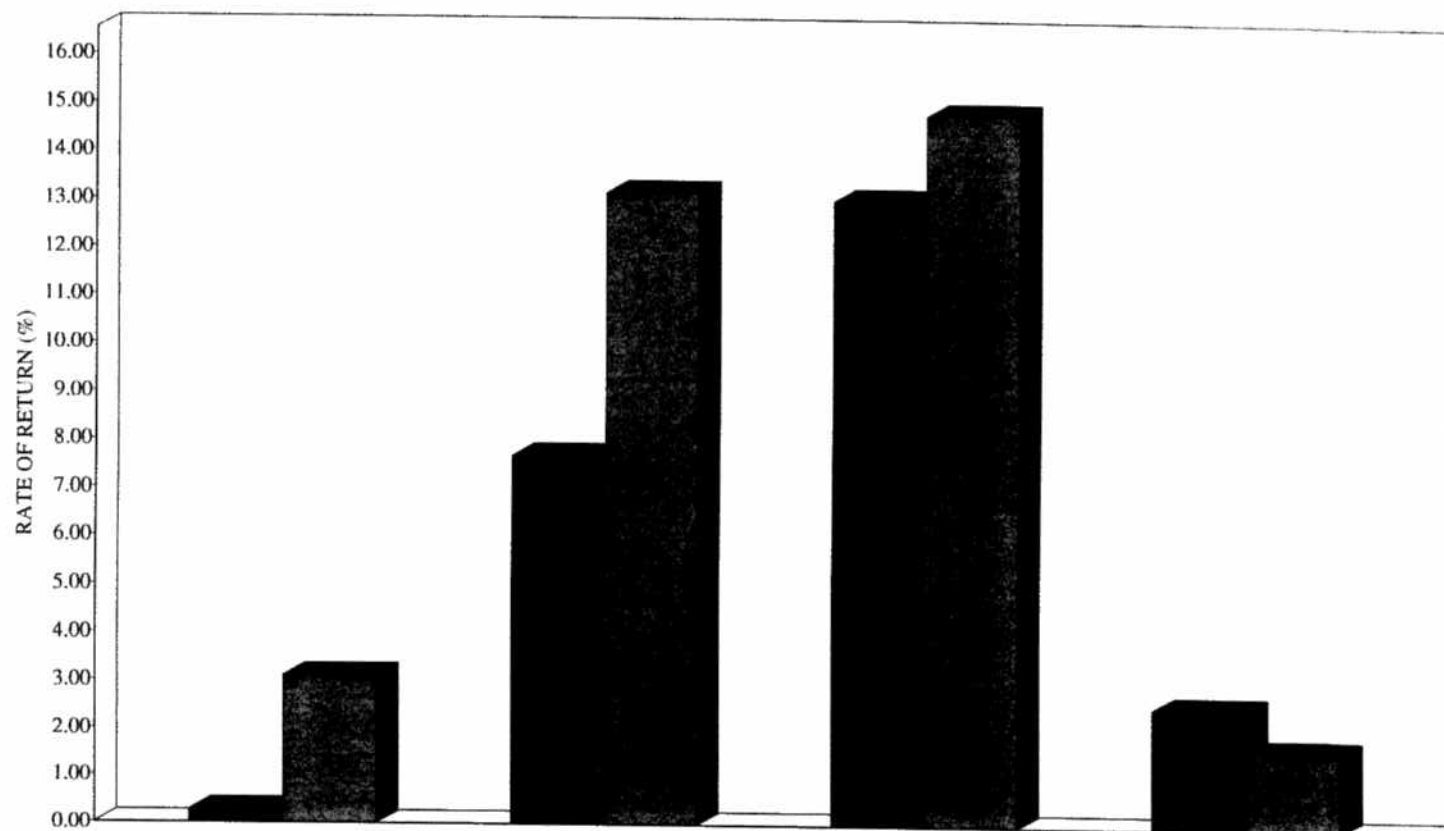
### Sector Weightings (%)

Information Technology	30.2%
Consumer Discretionary	19.3
Healthcare	18.3
Financials	15.7
Consumer Staples	9.1
Energy	3.6
Industrials	3.3
Materials	0.5

### Equity Portfolio

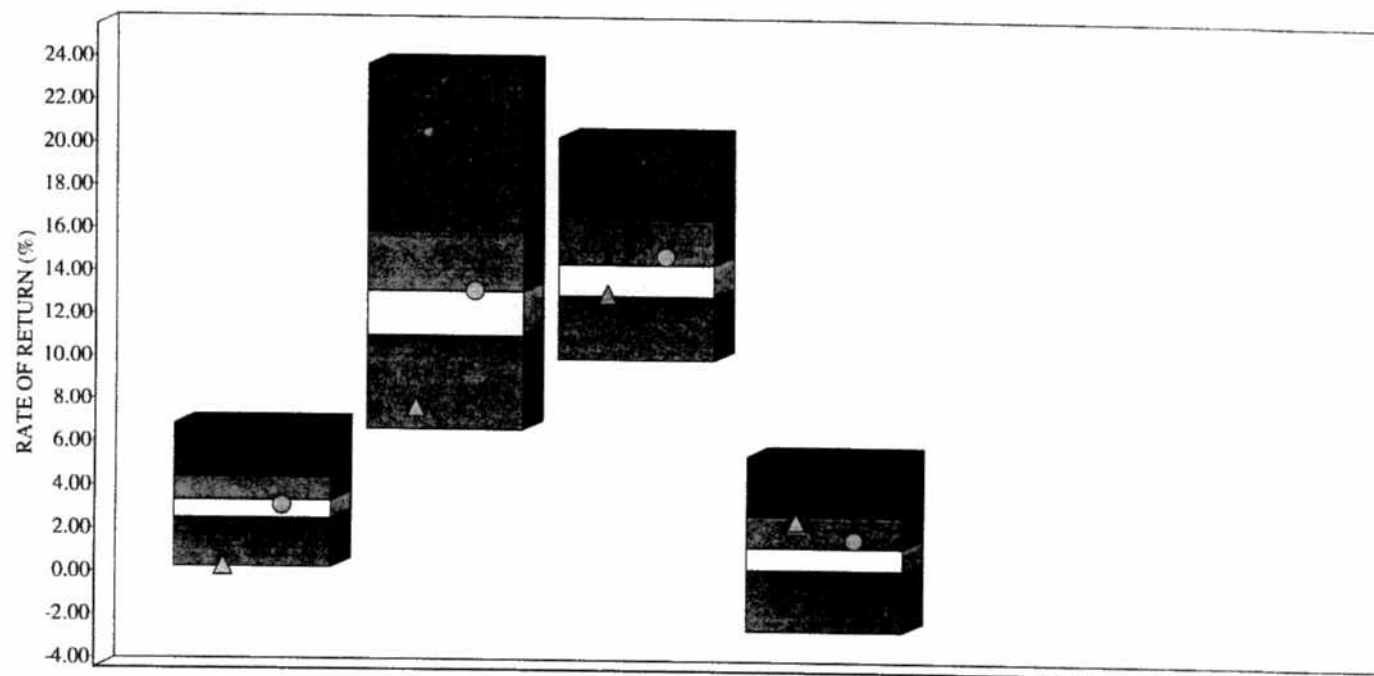
P/E Ratio	23.8x
P/B Ratio	4.6x
Turnover Ratio	31%
Geo. Avg. Cap	\$31.9 billion

STATE OF SOUTH CAROLINA 401(K) & 457 PLANS  
 AMERICAN CENTURY ULTRA INV  
 TIME-WEIGHTED RETURNS  
 MARCH 31, 2001 THROUGH MARCH 31, 2006



	LATEST QUARTER	ONE YEAR	THREE YEARS	FIVE YEARS
AMERICAN CENTURY	0.27	7.69	13.02	2.55
RUSSELL 1000 GROWTH	3.10	13.16	14.81	1.67

## STATE OF SOUTH CAROLINA 401(K) & 457 PLANS QUARTILE RANKING ANALYSIS TOTAL FUND AGAINST LARGE CAP GROWTH MUTUAL FUNDS MARCH 31, 2001 THROUGH MARCH 31, 2006



	LATEST QUARTER	ONE YEAR	THREE YEARS	FIVE YEARS
HIGHEST VALUE	6.85	23.73	20.33	5.55
FIRST QUARTILE	4.36	15.89	16.50	2.72
MEDIAN VALUE	3.32	13.13	14.41	1.28
THIRD QUARTILE	2.44	11.02	12.94	0.21
LOWEST VALUE	0.17	6.64	9.94	-2.61
MEAN	3.37	13.66	14.69	1.40

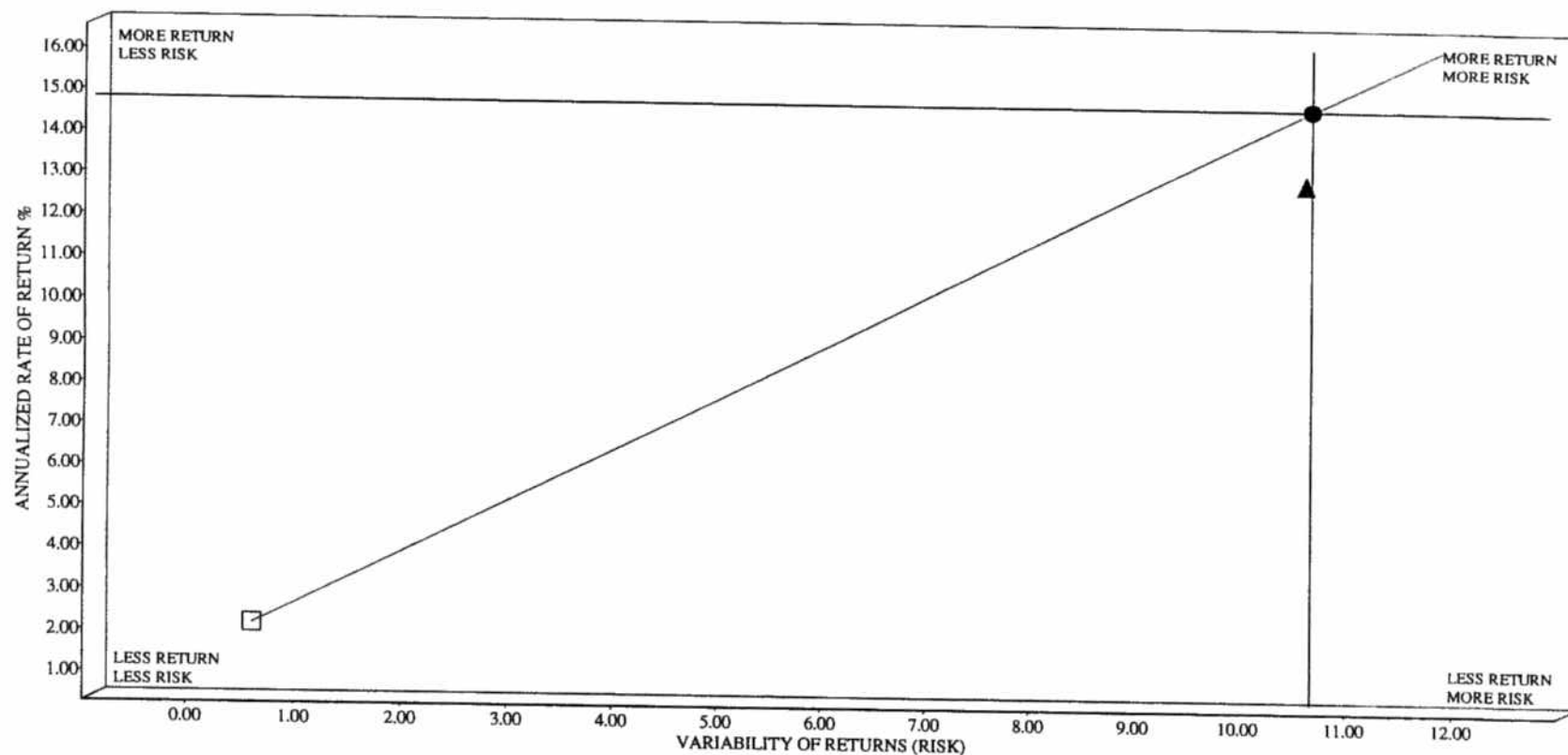
	LATEST QUARTER		ONE YEAR		THREE YEARS		FIVE YEARS	
	RETURN	RANK	RETURN	RANK	RETURN	RANK	RETURN	RANK
▲ AMERICAN CENTURY	0.27	99	7.69	93	13.02	72	2.55	27
● RUSSELL 1000 GROWTH	3.10	57	13.16	50	14.81	44	1.67	43

Source: Morningstar, Inc.



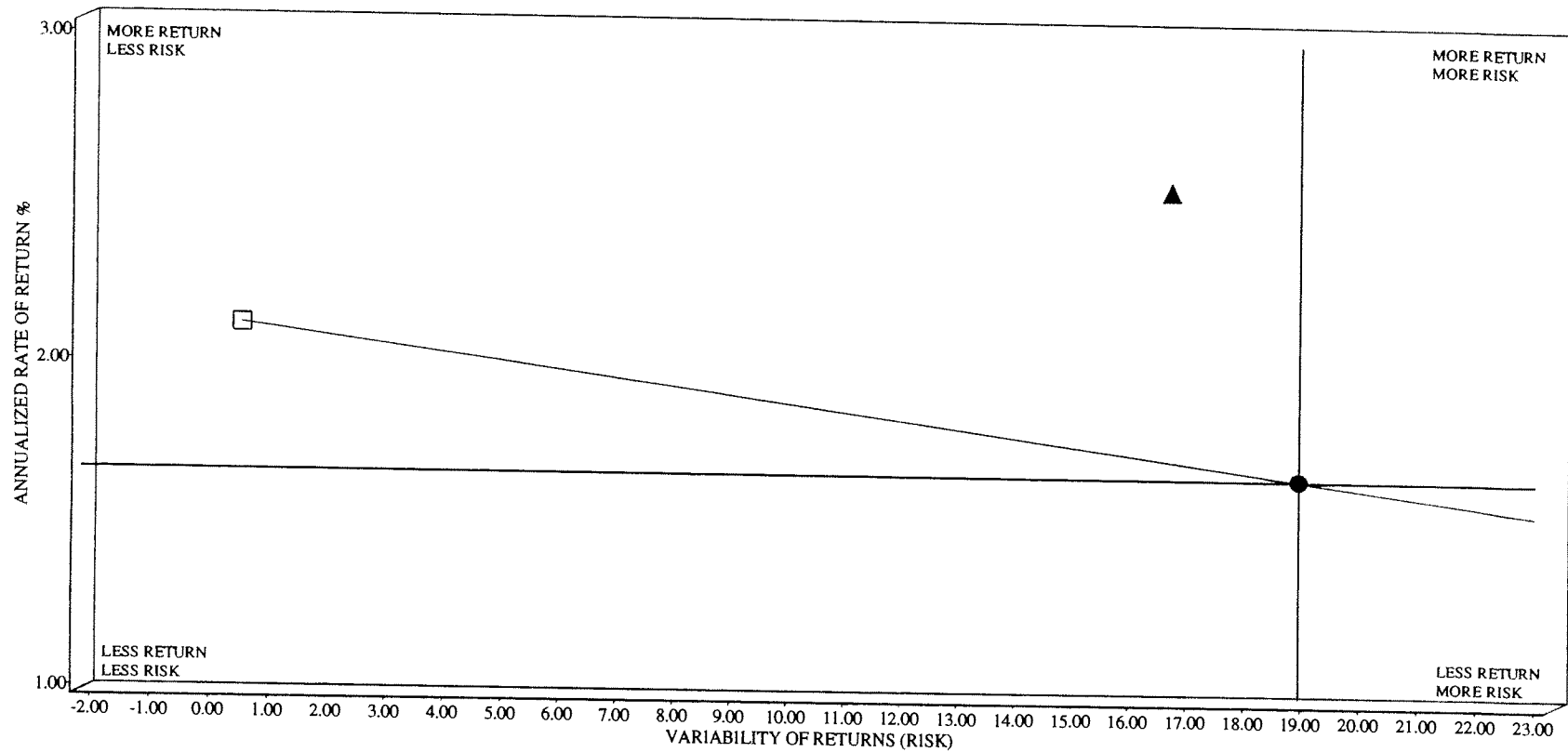
# Performance Measurement

## STATE OF SOUTH CAROLINA 401(K) & 457 PLANS AMERICAN CENTURY ULTRA INV CAPITAL MARKET LINE MARCH 31, 2003 THROUGH MARCH 31, 2006



	RETURN	STD DEV	SHARPE RATIO	ALPHA	R-SQUARED
▲ TOTAL FUND	13.02	10.62	1.02	-1.17	92.59
● RUSSELL 1000 GROWTH	14.81	10.68	1.18	0.00	100.00
□ 90 DAY U.S. T-BILL	2.20	0.62	0.00	0.00	100.00

STATE OF SOUTH CAROLINA 401(K) & 457 PLANS  
 AMERICAN CENTURY ULTRA INV  
 CAPITAL MARKET LINE  
 MARCH 31, 2001 THROUGH MARCH 31, 2006



	RETURN	STD DEV	SHARPE RATIO	ALPHA	R-SQUARED
▲ TOTAL FUND	2.55	16.72	0.03	0.63	94.54
● RUSSELL 1000 GROWTH	1.67	18.96	-0.02	0.00	100.00
□ 90 DAY U.S. T-BILL	2.12	0.55	0.00	0.00	100.00

## T.Rowe Price Mid Cap Value Fund

TRMCX

### Fund Profile

Total Fund Assets	\$6.4 billion
Total Holdings	125
Inception Date	June 1996
Fund Management	David Wallack
Manager Tenure	5 years
Expense Ratio	0.82%
Morningstar Rating	★★★★ (out of 5)

### Portfolio Composition

Equity	90.0%
Bonds	0.0
Cash & Cash Equivalents	10.0

### Top 10 Holdings (%)

Allied Waste Industries	
Chiron	
International Paper	
Intuit	
Marsh & McLennan	
Mattel	
Murphy Oil	
Nalco Holding	
NiSource	
Teco Energy	
<b>% of Total Assets</b>	<b>15.1%</b>

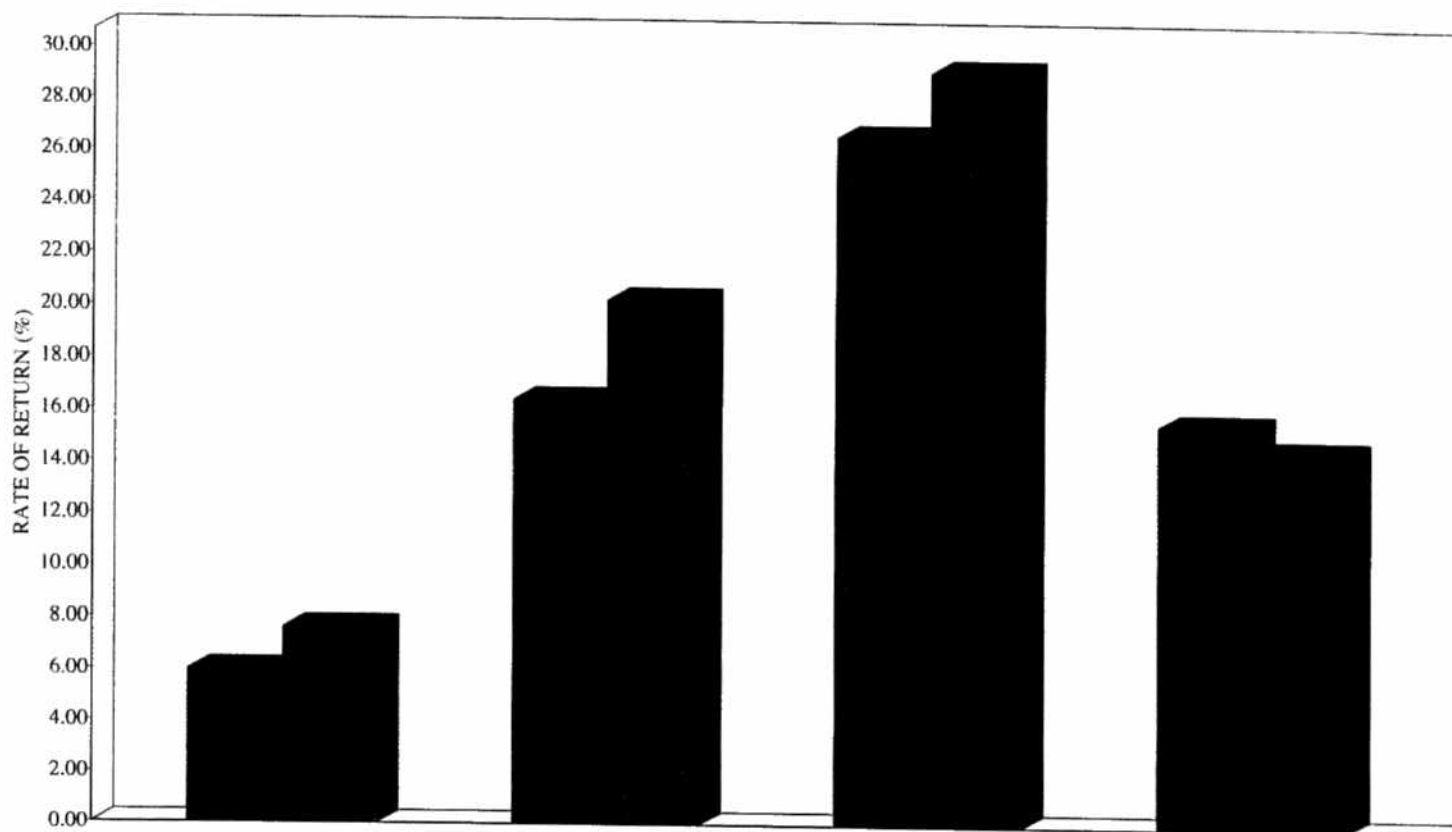
### Sector Allocation (%)

Financials	19.6%
Consumer Discretionary	18.4
Information Technology	11.3
Industrials	9.4
Healthcare	9.3
Utilities	6.5
Materials	5.7
Energy	4.8
Consumer Staples	4.3
Telecommunications	2.1

### Equity Portfolio

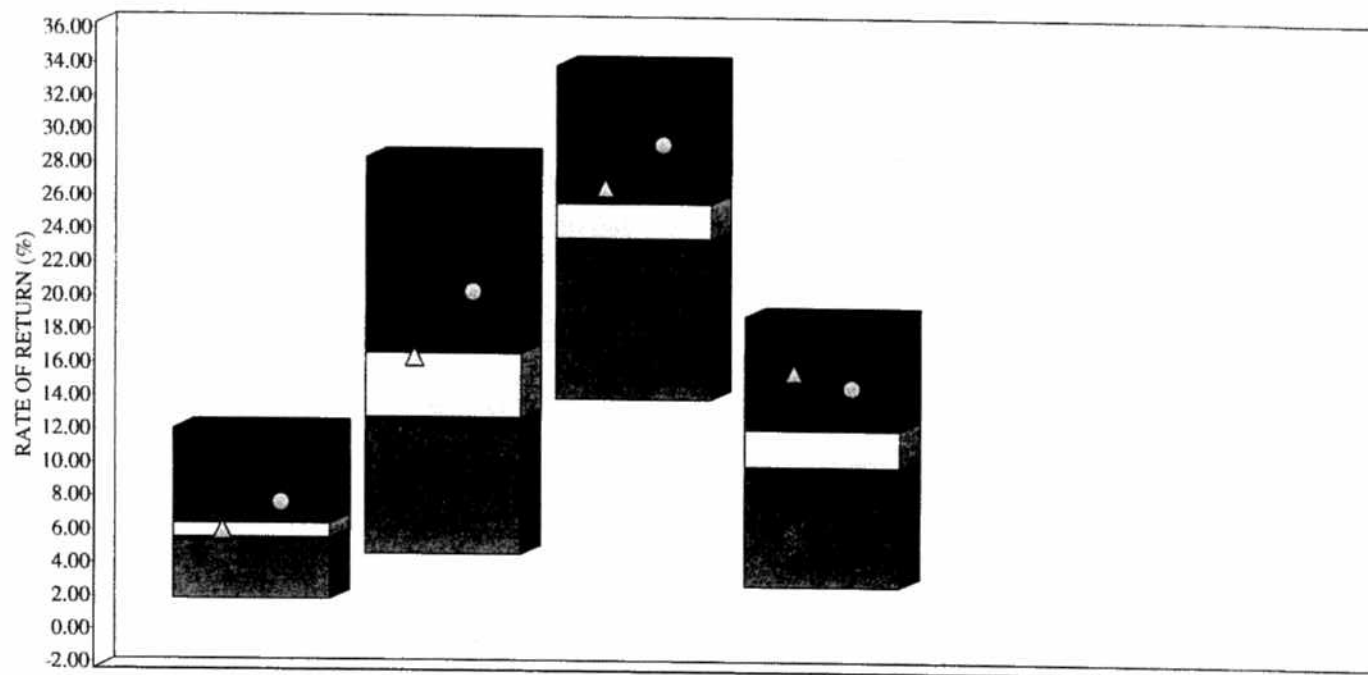
P/E Ratio	16.8x
P/B Ratio	2.1x
Turnover Ratio	62%
Median Mkt Cap.	\$5.5 billion

STATE OF SOUTH CAROLINA 401(K) & 457 PLANS  
T. ROWE PRICE MID CAP VALUE  
TIME-WEIGHTED RETURNS  
MARCH 31, 2001 THROUGH MARCH 31, 2006



	LATEST QUARTER	ONE YEAR	THREE YEARS	FIVE YEARS
T. ROWE PRICE	5.99	16.45	26.67	15.66
RUSSELL MID VALUE	7.63	20.30	29.23	14.69

## STATE OF SOUTH CAROLINA 401(K) & 457 PLANS QUARTILE RANKING ANALYSIS TOTAL FUND AGAINST MID CAP VALUE MUTUAL FUNDS MARCH 31, 2001 THROUGH MARCH 31, 2006

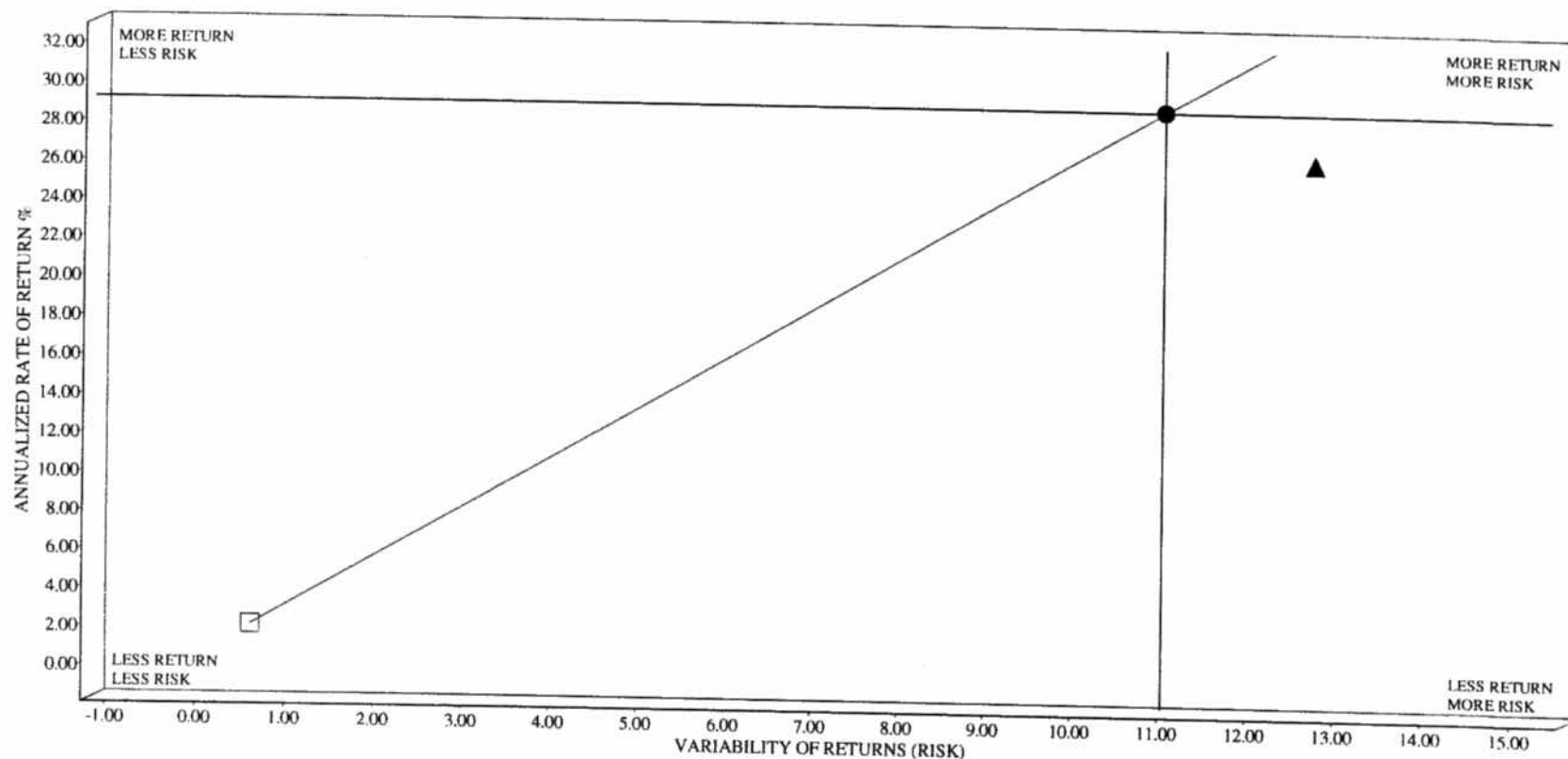


	LATEST QUARTER		ONE YEAR		THREE YEARS		FIVE YEARS	
HIGHEST VALUE		12.06		28.40		33.98		18.93
FIRST QUARTILE		7.67		19.71		28.07		14.30
MEDIAN VALUE		6.39		16.65		25.67		12.17
THIRD QUARTILE		5.51		12.75		23.56		9.93
LOWEST VALUE		1.82		4.57		13.92		2.74
MEAN		6.60		15.96		25.37		11.52

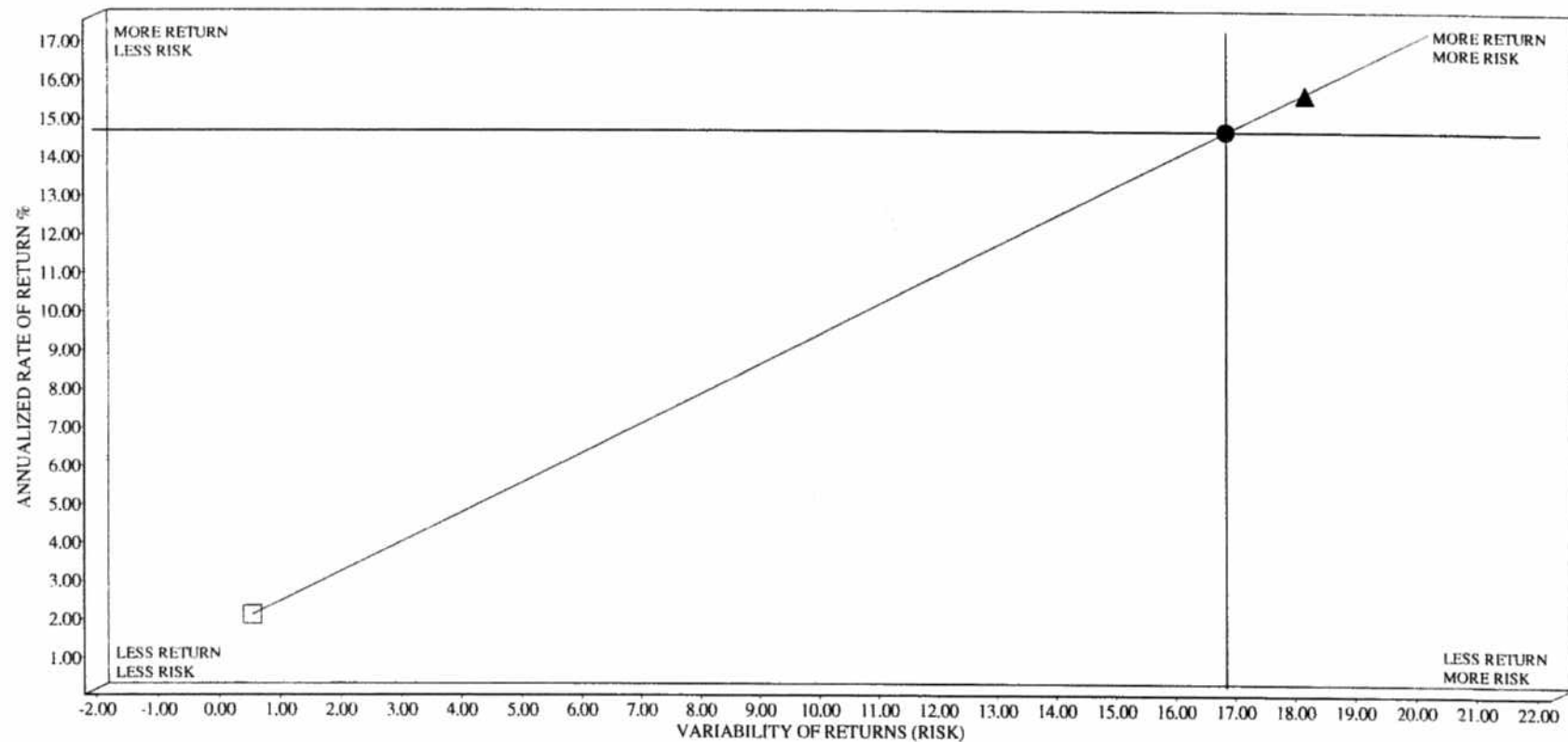
	LATEST QUARTER		ONE YEAR		THREE YEARS		FIVE YEARS	
	RETURN	RANK	RETURN	RANK	RETURN	RANK	RETURN	RANK
△ T. ROWE PRICE	5.99	60	16.45	54	26.67	38	15.66	14
○ RUSSELL MID VALUE	7.63	24	20.30	16	29.23	16	14.69	18

## STATE OF SOUTH CAROLINA 401(K) & 457 PLANS T. ROWE PRICE MID CAP VALUE CAPITAL MARKET LINE MARCH 31, 2003 THROUGH MARCH 31, 2006



	RETURN	STD DEV	SHARPE RATIO	ALPHA	R-SQUARED
▲ TOTAL FUND	26.67	12.75	1.92	-4.66	92.34
● RUSSELL MID VALUE	29.23	11.04	2.45	0.00	100.00
□ 90 DAY U.S. T-BILL	2.20	0.62	0.00	0.00	100.00

STATE OF SOUTH CAROLINA 401(K) & 457 PLANS  
T. ROWE PRICE MID CAP VALUE  
CAPITAL MARKET LINE  
MARCH 31, 2001 THROUGH MARCH 31, 2006



	RETURN	STD DEV	SHARPE RATIO	ALPHA	R-SQUARED
▲ TOTAL FUND	15.66	18.17	0.75	0.45	94.20
● RUSSELL MID VALUE	14.69	16.85	0.75	0.00	100.00
□ 90 DAY U.S. T-BILL	2.12	0.55	0.00	0.00	100.00

## Franklin Small-Mid Cap Growth A Fund

FRSGX

### Fund Profile

Total Share Class Assets	\$6.6 billion
Total Holdings	137
Inception Date	February 1992
Fund Management	Team
Manager Tenure	NA
Expense Ratio	0.97%
Morningstar Rating	★★★ (out of 5)

### Portfolio Composition

Equity	99.0%
Bonds	0.0
Cash & Cash Equivalents	1.0

### Top 10 Holdings (%)\*

Cognizant Technology	2.1%
Expeditors Int'l of Wash.	1.9
Intersil Corp.	1.8
Microchip Technology Inc.	1.8
Tektronix Inc.	1.8
E*Trade Financial	1.6
Federated Investors Inc.	1.6
Rockwell Collins Inc.	1.6
Harris Corp.	1.6
Varian Medical Systems	1.6
<b>% of Total Assets</b>	<b>17.3%</b>

### Sector Allocation (%)\*

Electronic Technology	20.6%
Health Technology	12.5
Financial Services	10.3
Technology Services	8.8
Health Services	7.9
Producer Manufacturing	6.7
Energy Minerals	5.5
Retail Trade	5.2
Consumer Durables	3.8
Transportation	3.8

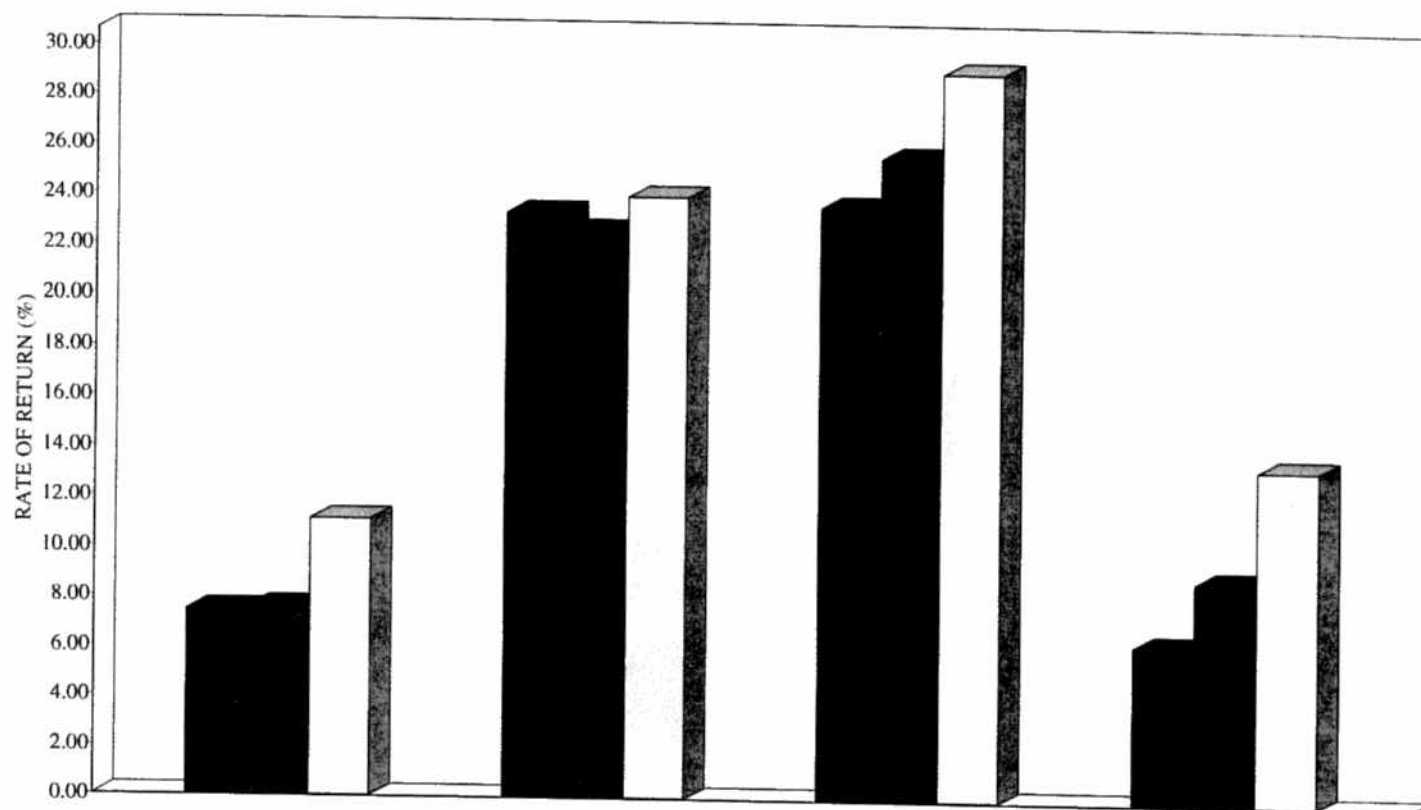
### Equity Portfolio

P/E Ratio	23.1x
P/B Ratio	3.7x
Turnover Ratio	43%
Average Mkt Cap.	\$4.3 billion

\* Data as of February 28, 2006

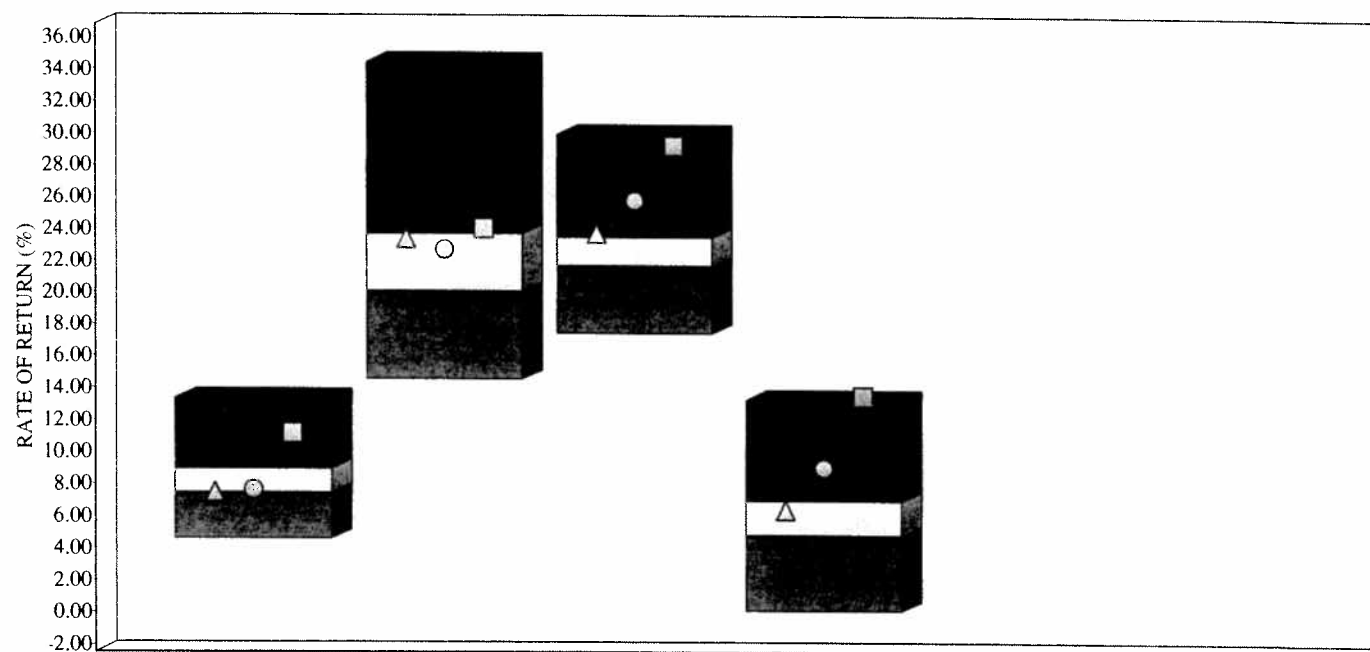


STATE OF SOUTH CAROLINA 401(K) & 457 PLANS  
FRANKLIN SMALL-MID CAP GROWTH A  
TIME-WEIGHTED RETURNS  
MARCH 31, 2001 THROUGH MARCH 31, 2006



	LATEST QUARTER	ONE YEAR	THREE YEARS	FIVE YEARS
FRANKLIN SMALL-MID	7.48	23.39	23.74	6.39
RUSSELL MID GROWTH	7.61	22.68	25.75	8.99
RUSSELL 2500	11.15	24.05	29.20	13.51

## STATE OF SOUTH CAROLINA 401(K) & 457 PLANS QUARTILE RANKING ANALYSIS TOTAL FUND AGAINST MID CAP GROWTH MUTUAL FUNDS MARCH 31, 2001 THROUGH MARCH 31, 2006



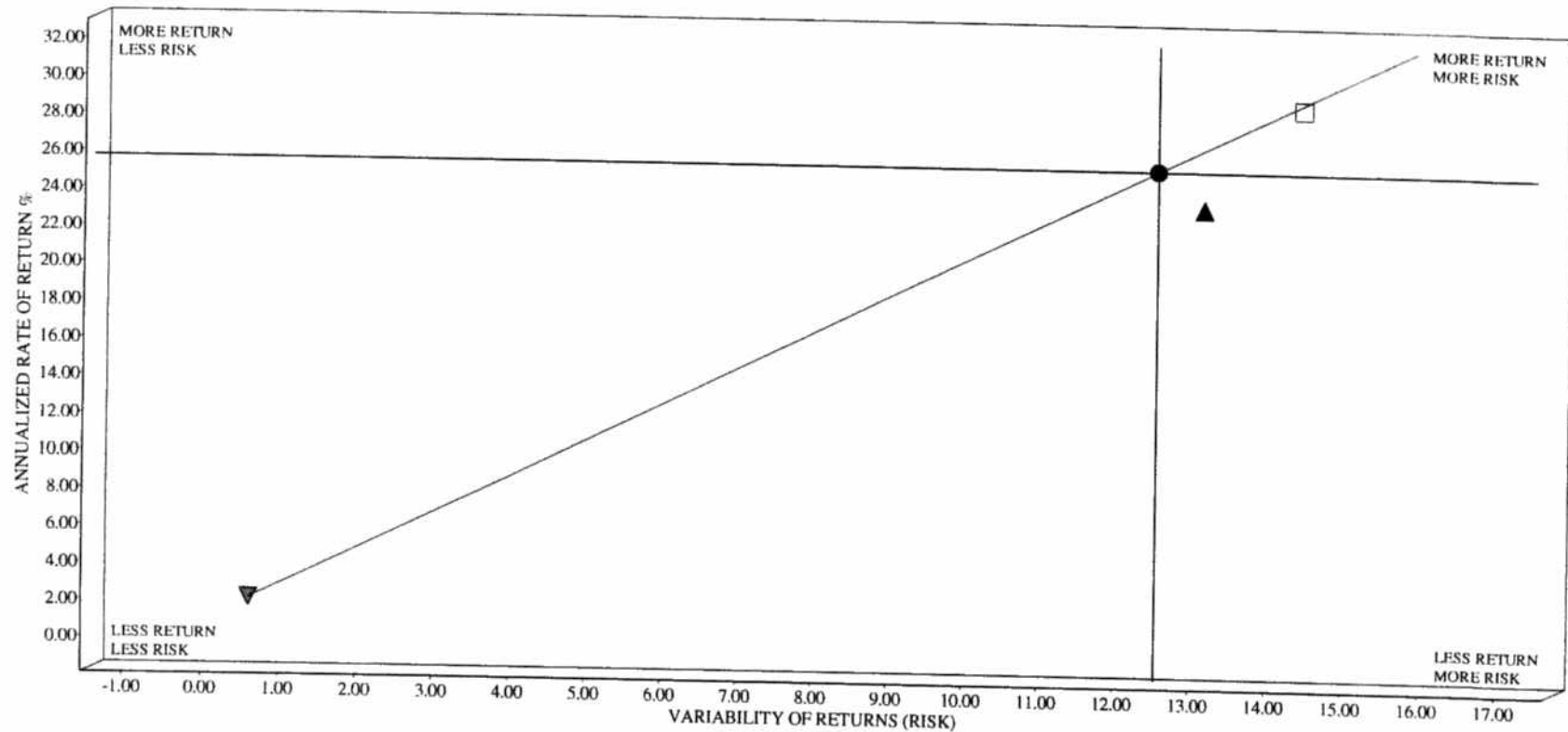
	LATEST QUARTER		ONE YEAR		THREE YEARS		FIVE YEARS	
HIGHEST VALUE	13.30		34.43		29.92		13.27	
FIRST QUARTILE	10.57		26.13		25.46		9.34	
MEDIAN VALUE	8.90		23.70		23.49		6.97	
THIRD QUARTILE	7.41		20.03		21.63		4.80	
LOWEST VALUE	4.53		14.47		17.40		0.09	
MEAN	9.02		23.58		23.57		7.08	

	LATEST QUARTER		ONE YEAR		THREE YEARS		FIVE YEARS	
	RETURN	RANK	RETURN	RANK	RETURN	RANK	RETURN	RANK
△ FRANKLIN SMALL-MID	7.48	72	23.39	52	23.74	47	6.39	58
○ RUSSELL MID GROWTH	7.61	71	22.68	58	25.75	21	8.99	28
□ RUSSELL 2500	11.15	20	24.05	46	29.20	2	13.51	1

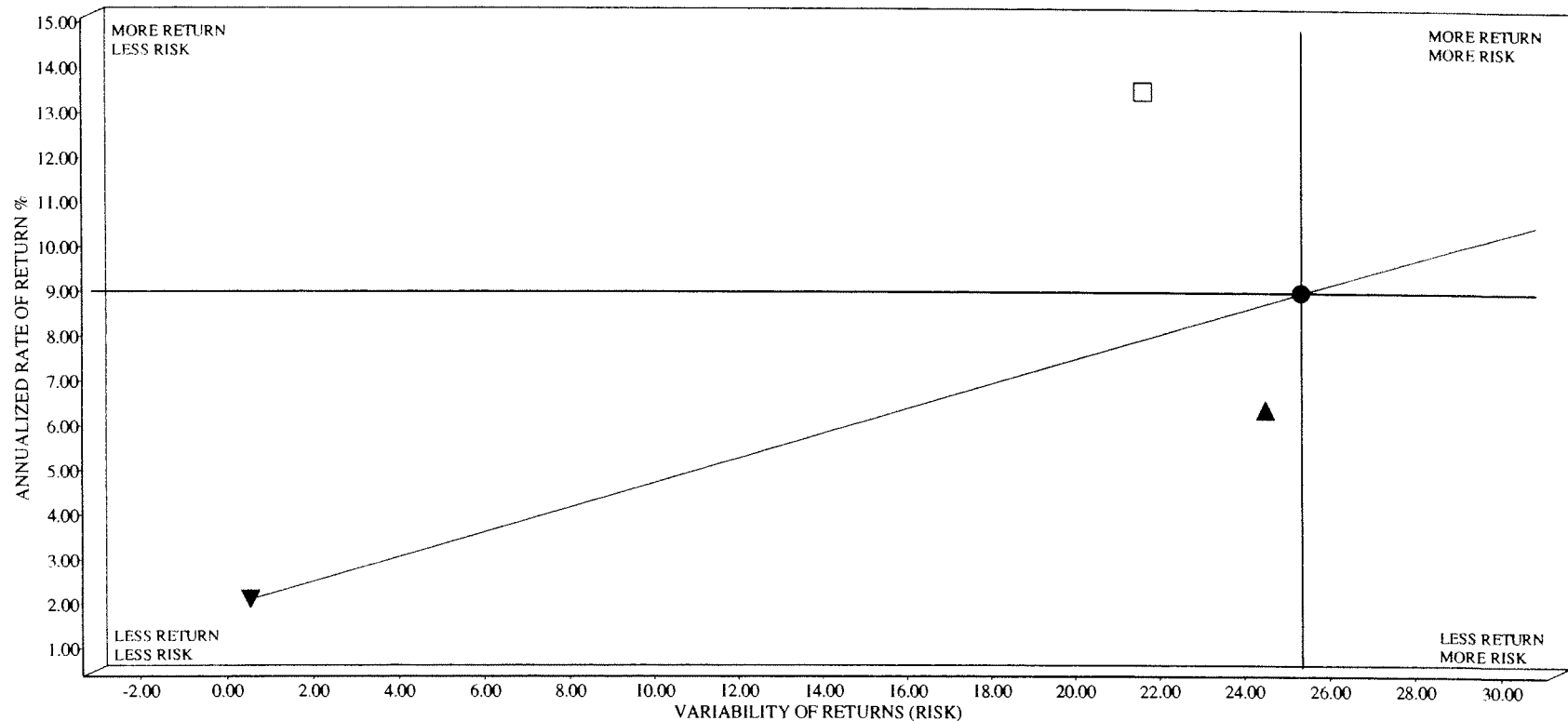
# Performance Measurement

## STATE OF SOUTH CAROLINA 401(K) & 457 PLANS FRANKLIN SMALL-MID CAP GROWTH A CAPITAL MARKET LINE MARCH 31, 2003 THROUGH MARCH 31, 2006



	RETURN	STD DEV	SHARPE RATIO	ALPHA	R-SQUARED
▲ TOTAL FUND	23.74	13.16	1.64	-2.18	95.99
● RUSSELL MID GROWTH	25.75	12.55	1.88	0.00	100.00
□ RUSSELL 2500	29.20	14.45	1.87	0.00	100.00
▼ 90 DAY U.S. T-BILL	2.20	0.62	0.00	0.00	100.00

## STATE OF SOUTH CAROLINA 401(K) & 457 PLANS FRANKLIN SMALL-MID CAP GROWTH A CAPITAL MARKET LINE MARCH 31, 2001 THROUGH MARCH 31, 2006



	RETURN	STD DEV	SHARPE RATIO	ALPHA	R-SQUARED
▲ TOTAL FUND	6.39	24.51	0.17	-2.25	98.02
● RUSSELL MID GROWTH	8.99	25.36	0.27	0.00	100.00
□ RUSSELL 2500	13.51	21.64	0.53	0.00	100.00
▼ 90 DAY U.S. T-BILL	2.12	0.55	0.00	0.00	100.00

## Brazos Micro Cap Y Fund

BJMIX

### Fund Profile

Total Fund Assets	\$89.9 million
Total Holdings	58
Inception Date	December 1997
Fund Management	Team
Manager Tenure	NA
Expense Ratio	1.58%
Morningstar Rating	★★ (out of 5)

### Portfolio Composition

Equity	92.8%
Bonds	0.0
Cash & Cash Equivalents	7.2

### Top 10 Holdings (%)

American Ecology Corp	2.9%
Matrix Svc Co	2.5
Radcom Ltd	2.4
Phase Forward Inc	2.4
Stellent Inc	2.3
Netsmart Technologies Inc	2.3
Radyne Comstream Inc	2.2
Meteretek Technologies	2.2
SWS Group	2.1
Lufkin Inds Inc	2.1
<b>% of Total Assets</b>	<b>23.4%</b>

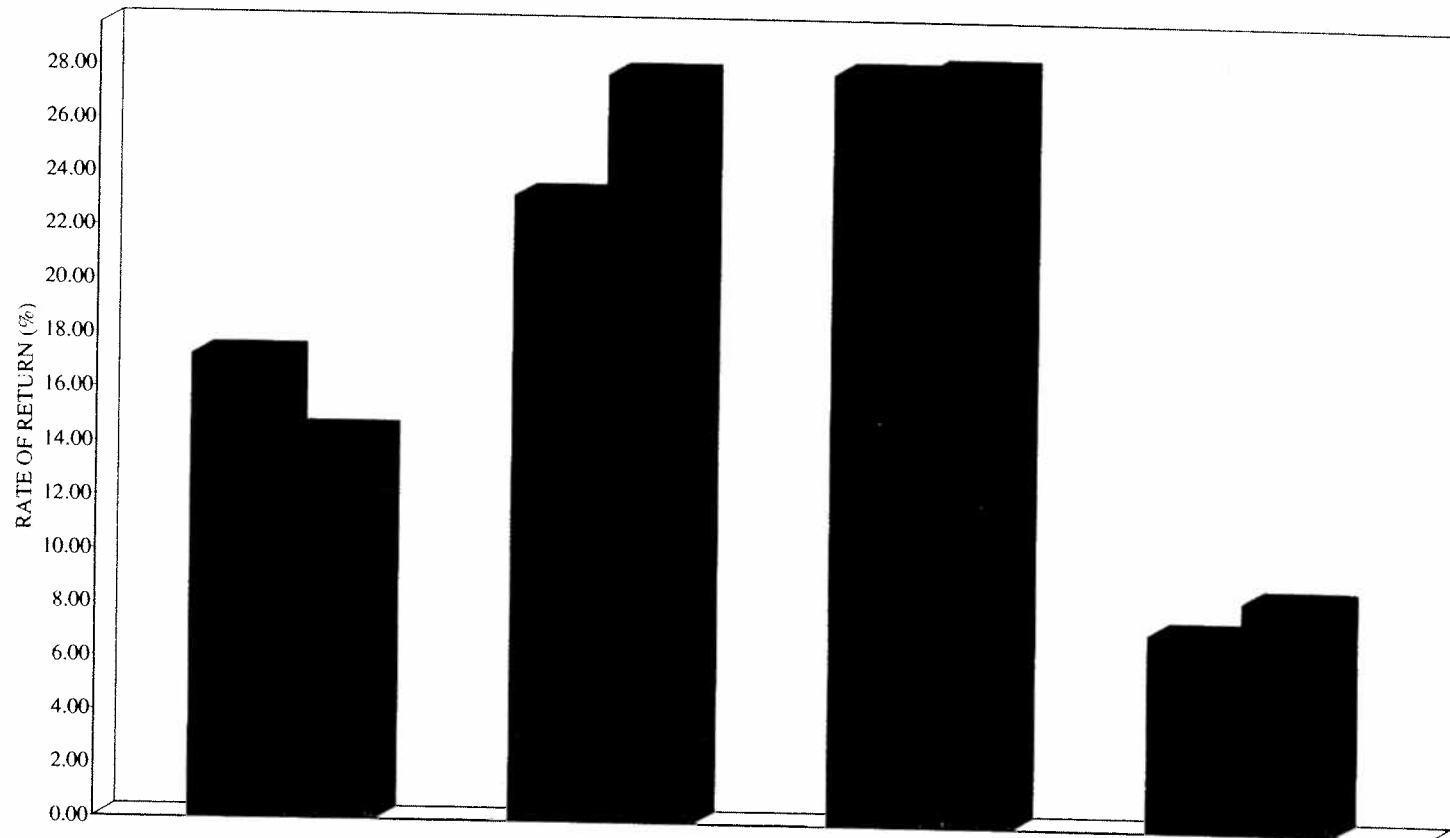
### Sector Allocation (%)

Healthcare	22.5%
Industrial	12.5
Technology	9.1
Electronics	8.9
Telecommunications	8.8
Consumer	8.5
Business Services	6.1
Defense	4.9
Energy	4.9
Financials	3.4
Other	3.1
Cash	7.3

### Equity Portfolio

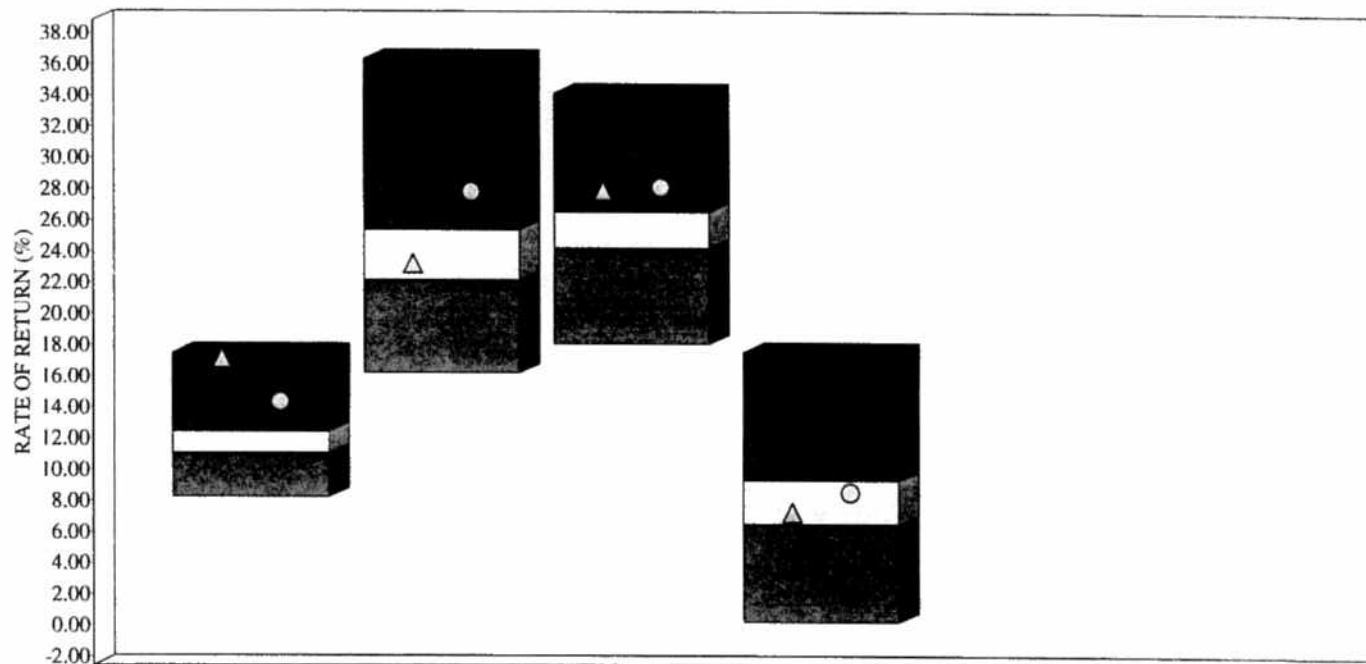
P/E Ratio	21.5x
P/B Ratio	2.8x
Turnover Ratio	197%
Median Mkt Cap.	\$384 million

STATE OF SOUTH CAROLINA 401(K) & 457 PLANS  
 BRAZOS MICROCAP Y  
 TIME-WEIGHTED RETURNS  
 MARCH 31, 2001 THROUGH MARCH 31, 2006



	LATEST QUARTER	ONE YEAR	THREE YEARS	FIVE YEARS
BRAZOS MICROCAP Y	17.20	23.26	27.96	7.33
RUSSELL 2000 GROWTH	14.37	27.83	28.14	8.59

STATE OF SOUTH CAROLINA 401(K) & 457 PLANS  
 QUARTILE RANKING ANALYSIS  
 TOTAL FUND AGAINST SMALL CAP GROWTH MUTUAL FUNDS  
 MARCH 31, 2001 THROUGH MARCH 31, 2006



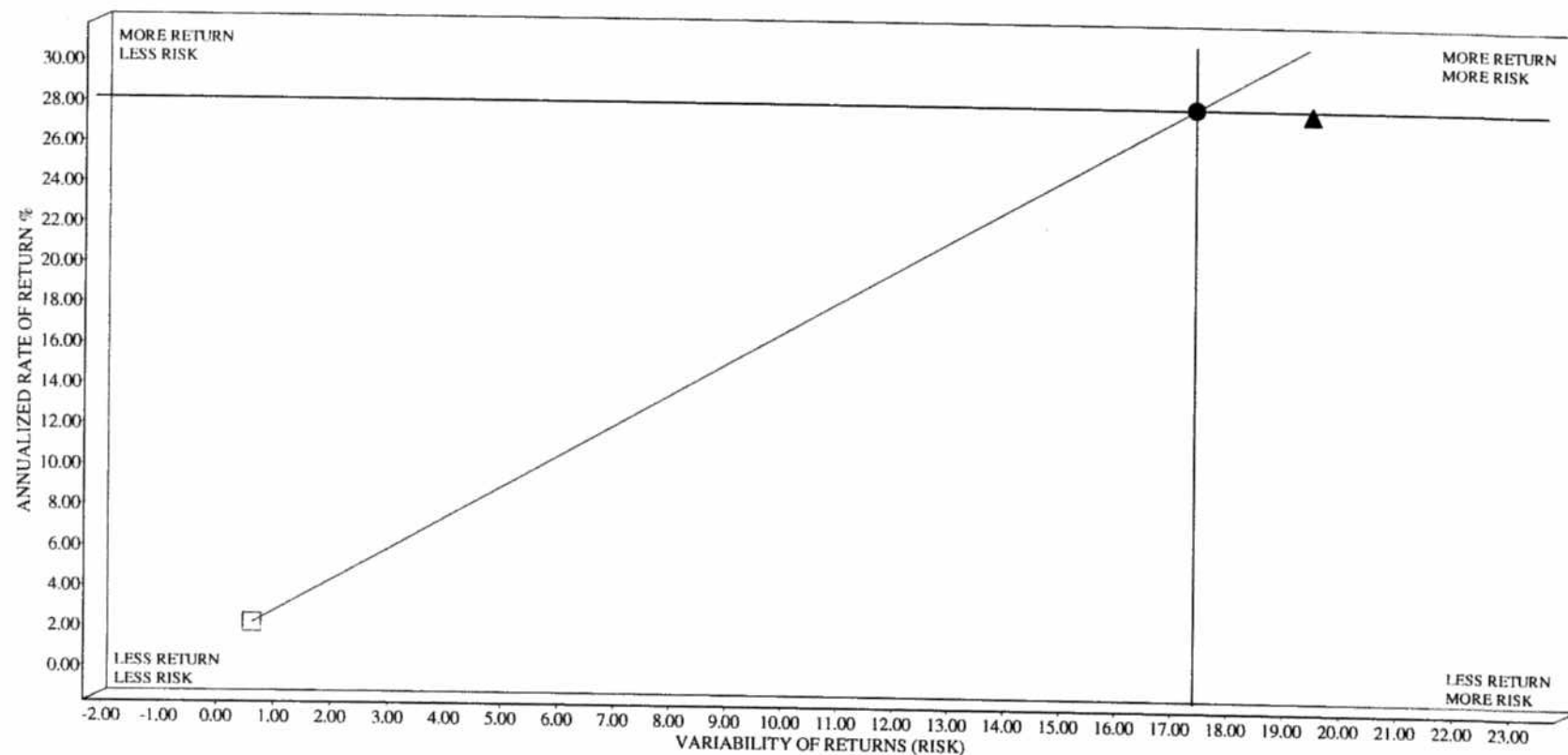
	LATEST QUARTER		ONE YEAR		THREE YEARS		FIVE YEARS	
HIGHEST VALUE	17.50		36.38		34.21		17.61	
FIRST QUARTILE	14.52		28.73		29.58		12.15	
MEDIAN VALUE	12.44		25.45		26.59		9.39	
THIRD QUARTILE	11.03		22.17		24.22		6.52	
LOWEST VALUE	8.24		16.22		18.11		0.21	
MEAN	12.76		25.61		26.49		9.34	

	LATEST QUARTER		ONE YEAR		THREE YEARS		FIVE YEARS	
	RETURN	RANK	RETURN	RANK	RETURN	RANK	RETURN	RANK
△ BRAZOS MICROCAP Y	17.20	2	23.26	68	27.96	37	7.33	70
○ RUSSELL 2000 GROWTH	14.37	27	27.83	31	28.14	36	8.59	60

# Performance Measurement

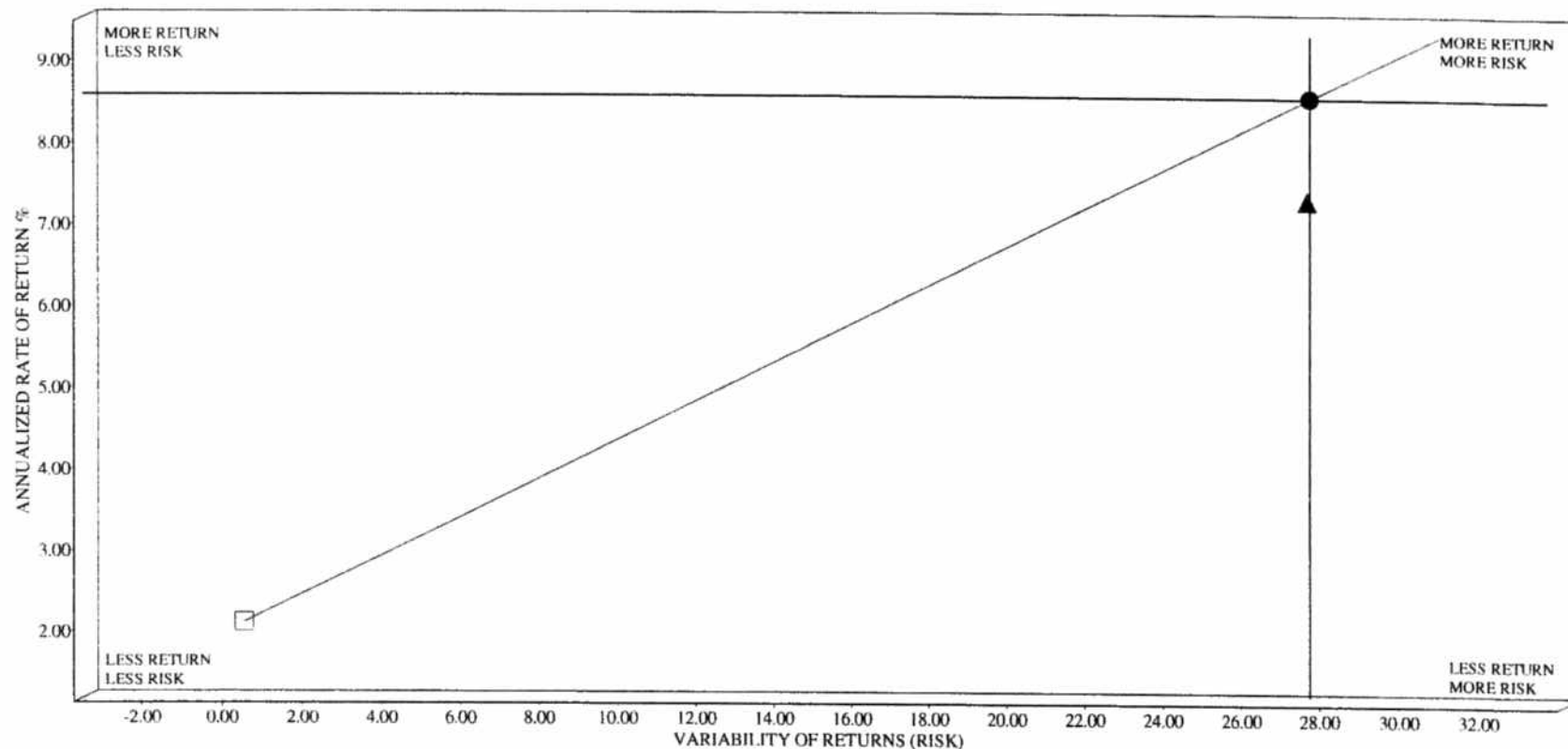
## STATE OF SOUTH CAROLINA 401(K) & 457 PLANS BRAZOS MICROCAP Y CAPITAL MARKET LINE MARCH 31, 2003 THROUGH MARCH 31, 2006



	RETURN	STD DEV	SHARPE RATIO	ALPHA	R-SQUARED
▲ TOTAL FUND	27.96	19.47	1.32	-0.95	87.65
● RUSSELL 2000 GROWTH	28.14	17.41	1.49	0.00	100.00
□ 90 DAY U.S. T-BILL	2.20	0.62	0.00	0.00	100.00



**STATE OF SOUTH CAROLINA 401(K) & 457 PLANS  
BRAZOS MICROCAP Y  
CAPITAL MARKET LINE  
MARCH 31, 2001 THROUGH MARCH 31, 2006**



	RETURN	STD DEV	SHARPE RATIO	ALPHA	R-SQUARED
▲ TOTAL FUND	7.33	27.69	0.19	-0.77	90.13
● RUSSELL 2000 GROWTH	8.59	27.74	0.23	0.00	100.00
□ 90 DAY U.S. T-BILL	2.12	0.55	0.00	0.00	100.00

## Fidelity Diversified International Fund

FDIVX

### Fund Profile

Total Fund Assets	\$39.3 billion
Total Holdings	399
Inception Date	December 1991
Fund Management	William Bower
Manager Tenure	6 years
Expense Ratio	1.10%
Morningstar Rating	★★★★★ (out of 5)

### Portfolio Composition

Equity	96.3%
Bonds	0.4
Cash & Cash Equivalents	3.3

### Top 10 Holdings (%)

Roche Holdings	
Novartis	
Orix Corp	
Sanofi Aventis	
Total SA Spons	
UBS AG Reg (USA)	
Toyota Motor Corp	
ING Groep	
BP PLC Spon	
Mizuho Financial Group	
<b>% of Total Assets</b>	<b>12.2%</b>

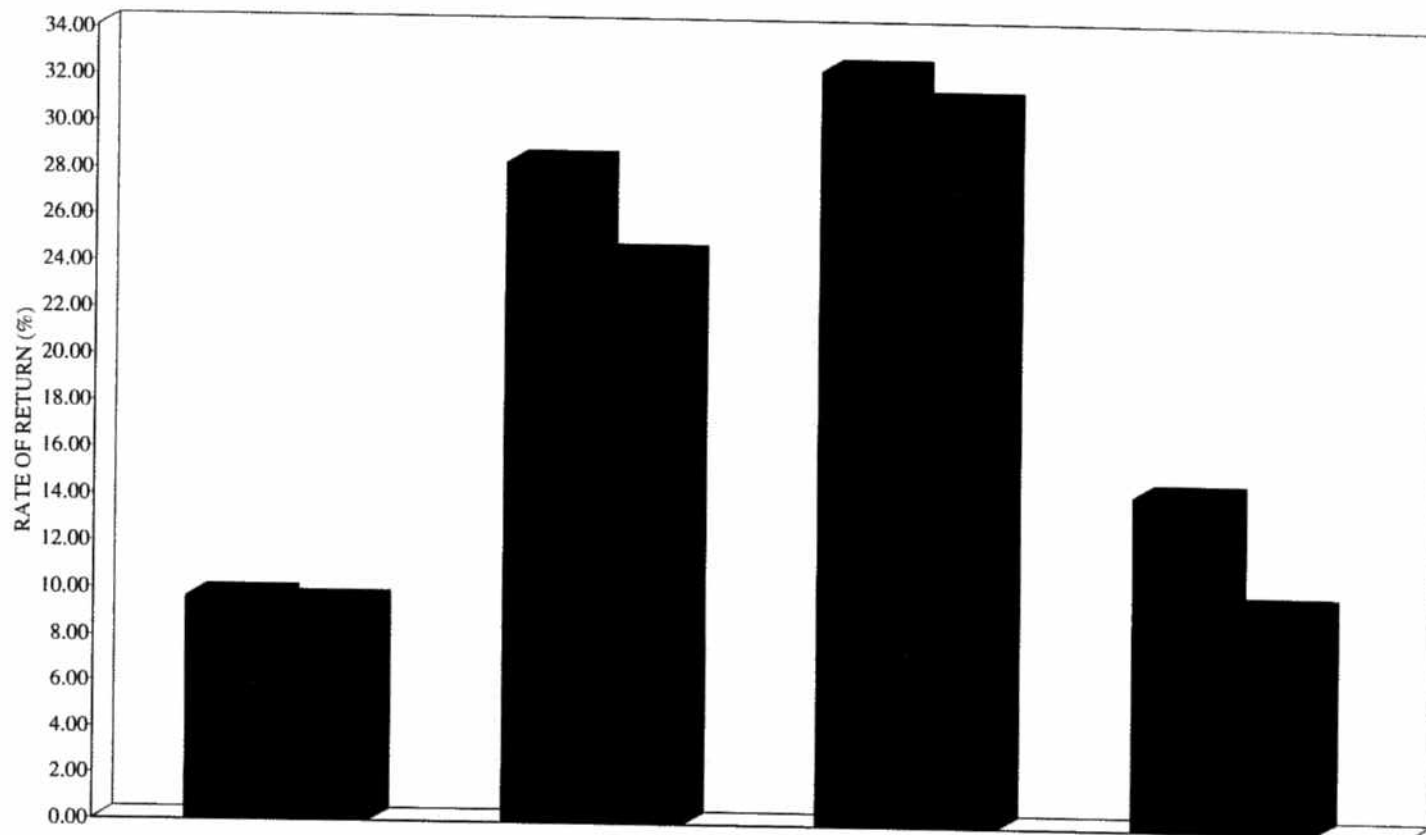
### Country Allocation (%)

Japan	17.9%
United Kingdom	11.4
Switzerland	10.1
France	9.3
USA	7.0
Germany	6.4
Canada	5.7
Netherlands	3.9
South Korea	2.9
Spain	2.9

### Equity Portfolio

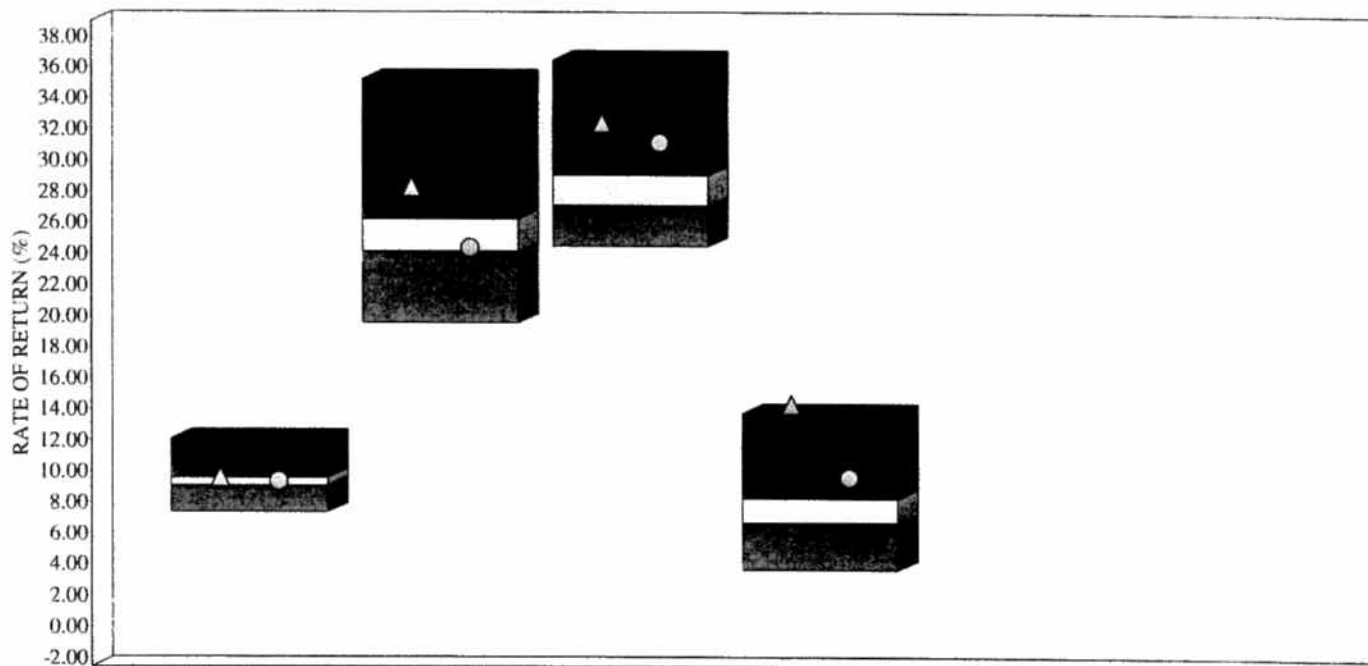
P/E Ratio	17.9x
P/B Ratio	3.1x
Turnover Ratio	41%
Average Mkt Cap.	\$20.8 billion


STATE OF SOUTH CAROLINA 401(K) & 457 PLANS  
FIDELITY DIVERSIFIED INTERNATIONAL  
TIME-WEIGHTED RETURNS  
MARCH 31, 2001 THROUGH MARCH 31, 2006



	LATEST QUARTER	ONE YEAR	THREE YEARS	FIVE YEARS
FIDELITY DIVERSIFIED	9.65	28.36	32.46	14.37
MSCI NET EAFE	9.40	24.41	31.13	9.64

## STATE OF SOUTH CAROLINA 401(K) & 457 PLANS QUARTILE RANKING ANALYSIS TOTAL FUND AGAINST FOREIGN EQUITY MUTUAL FUNDS MARCH 31, 2001 THROUGH MARCH 31, 2006



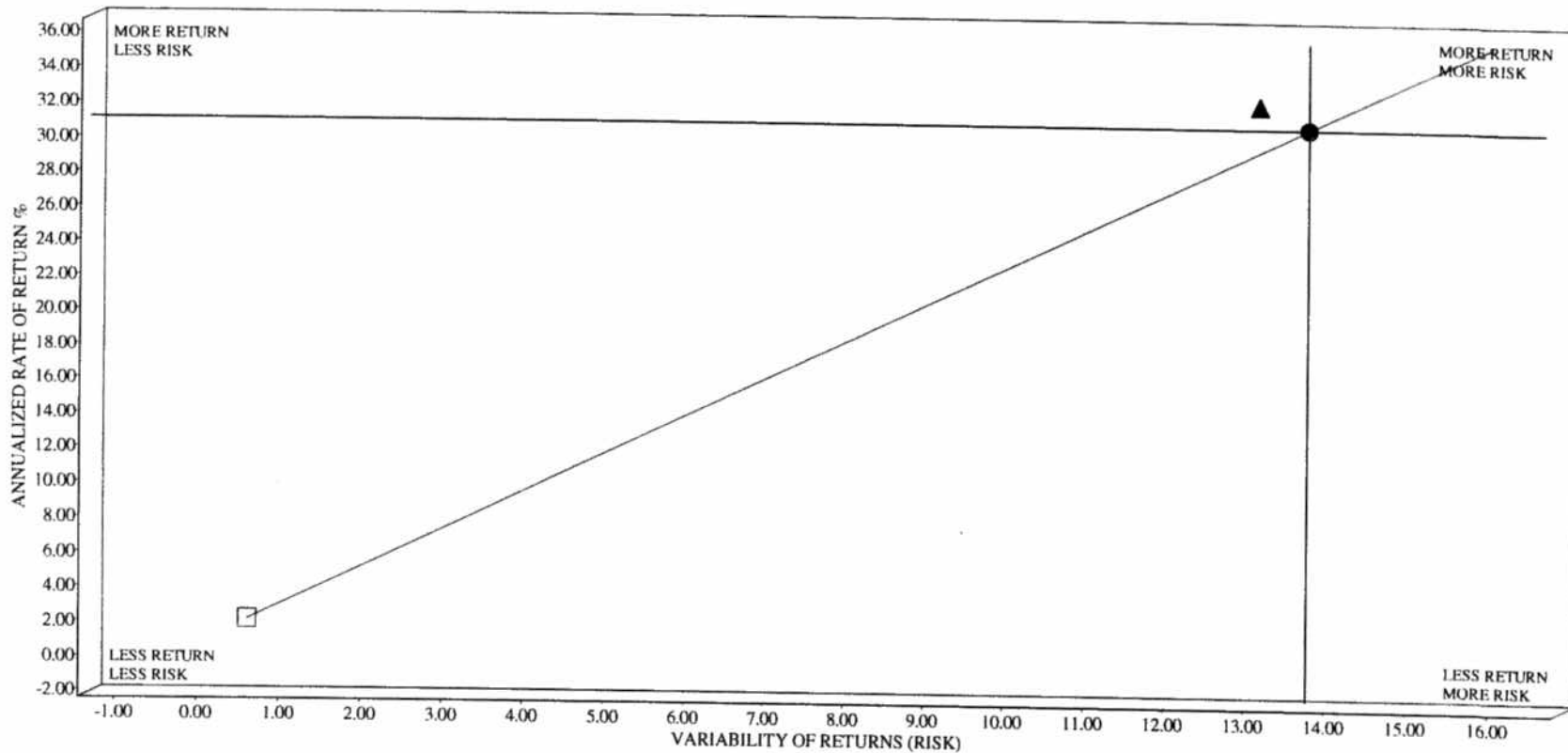
	LATEST QUARTER		ONE YEAR		THREE YEARS		FIVE YEARS	
 HIGHEST VALUE	12.09		35.26		36.51		13.81	
FIRST QUARTILE	10.39		28.83		31.02		10.29	
MEDIAN VALUE	9.62		26.31		29.09		8.32	
THIRD QUARTILE	9.04		24.13		27.11		6.69	
LOWEST VALUE	7.34		19.55		24.49		3.68	
MEAN	9.67		26.53		29.19		8.42	

	LATEST QUARTER		ONE YEAR		THREE YEARS		FIVE YEARS	
	RETURN	RANK	RETURN	RANK	RETURN	RANK	RETURN	RANK
▲ FIDELITY DIVERSIFIED	9.65	48	28.36	29	32.46	13	14.37	1
○ MSCI NET EAFE	9.40	59	24.41	71	31.13	23	9.64	31

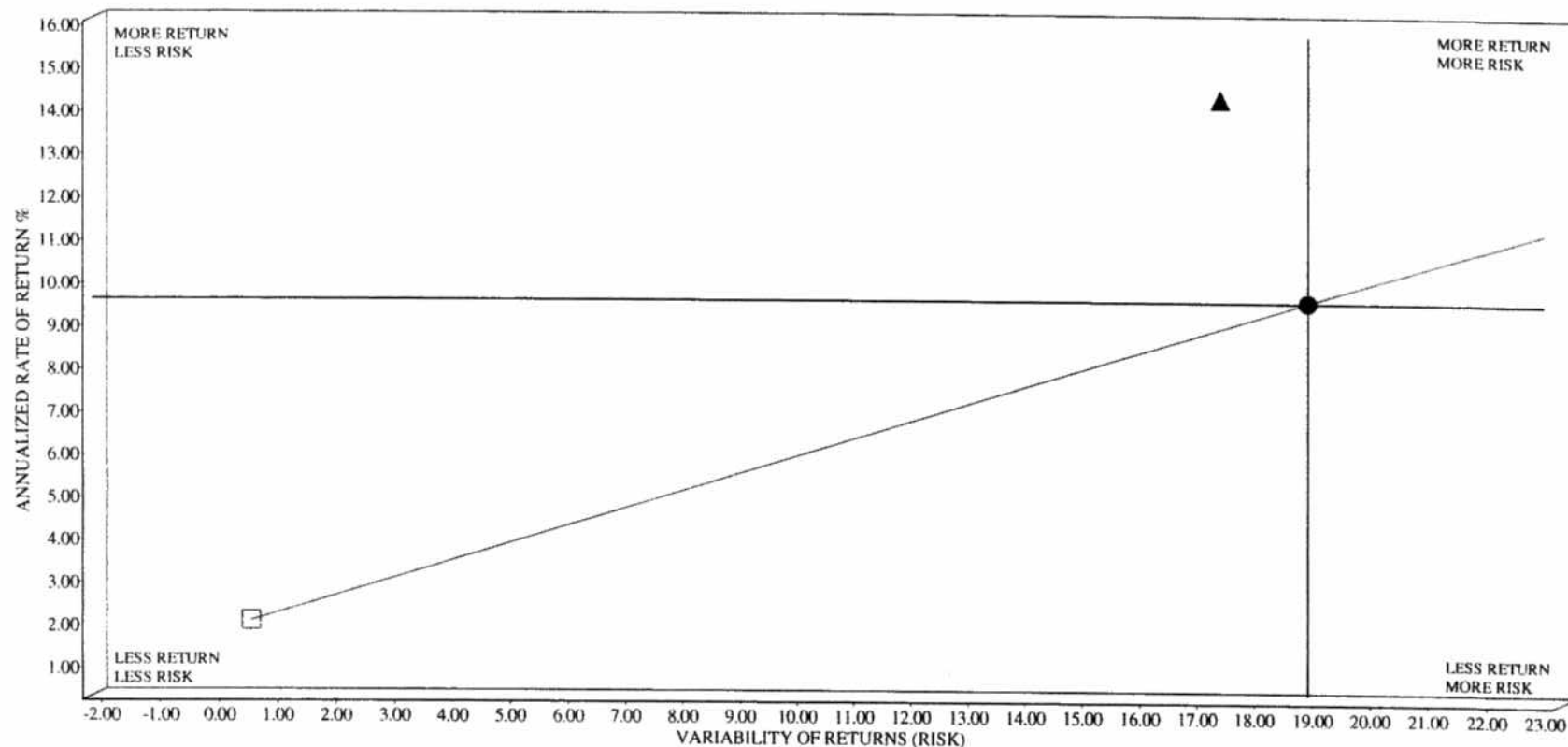
# Performance Measurement

## STATE OF SOUTH CAROLINA 401(K) & 457 PLANS FIDELITY DIVERSIFIED INTERNATIONAL CAPITAL MARKET LINE MARCH 31, 2003 THROUGH MARCH 31, 2006



	RETURN	STD DEV	SHARPE RATIO	ALPHA	R-SQUARED
▲ TOTAL FUND	32.46	13.17	2.30	2.66	96.50
● MSCI NET EAFE	31.13	13.78	2.10	0.00	100.00
□ 90 DAY U.S. T-BILL	2.20	0.62	0.00	0.00	100.00

## STATE OF SOUTH CAROLINA 401(K) & 457 PLANS FIDELITY DIVERSIFIED INTERNATIONAL CAPITAL MARKET LINE MARCH 31, 2001 THROUGH MARCH 31, 2006



	RETURN	STD DEV	SHARPE RATIO	ALPHA	R-SQUARED
▲ TOTAL FUND	14.37	17.40	0.70	4.87	97.87
● MSCI NET EAFE	9.64	18.92	0.40	0.00	100.00
□ 90 DAY U.S. T-BILL	2.12	0.55	0.00	0.00	100.00

## American Funds EuroPacific Growth A Fund

AEFGX

### Fund Profile

Total Fund Assets	\$48.9 billion
Total Holdings	278
Inception Date	April 1984
Fund Management	Team
Manager Tenure	NA
Expense Ratio	0.83%
Morningstar Rating	★★★★ (out of 5)

### Portfolio Composition

Equity	91.3%
Bonds	0.0
Cash & Cash Equivalents	8.7

### Top 10 Holdings (%)

Roche Holding	2.6%
Kookmin Bank	1.8
America Movil	1.5
Samsung Electronics	1.3
Taiwan Semiconductor	1.2
Novo Nordisk	1.1
Petrobras	1.1
AstraZeneca	1.1
RAO UES of Russia	1.0
Nestle	1.0
<b>% of Total Assets</b>	<b>13.7%</b>

### Top Industries (%)

Commercial Banks	13.5%
Pharmaceuticals	7.5
Oil, Gas & Cons. Fuels	7.0
Semiconductors & Equip.	4.9
Diversified Telecom	4.5

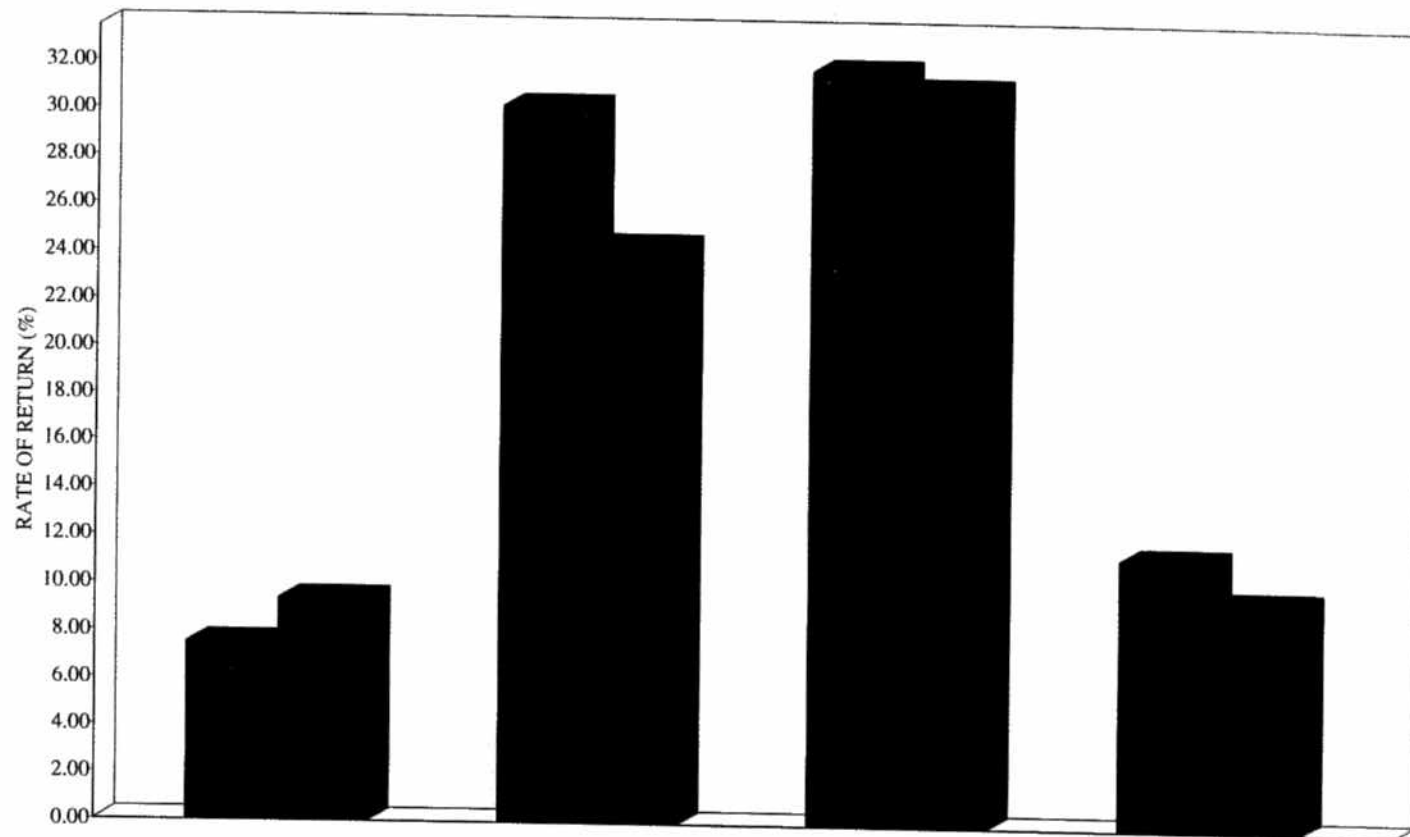
### Geographic Breakdown (%)

Europe	42.1%
Asia & Pacific Basin	37.0
Other (+ Canada / Lat. Amer.)	12.2
Cash & Equivalents	8.7

### Equity Portfolio

P/E Ratio	15.8x
P/B Ratio	2.2x
Turnover Ratio	30%
Average Mkt Cap.	\$25.8 billion

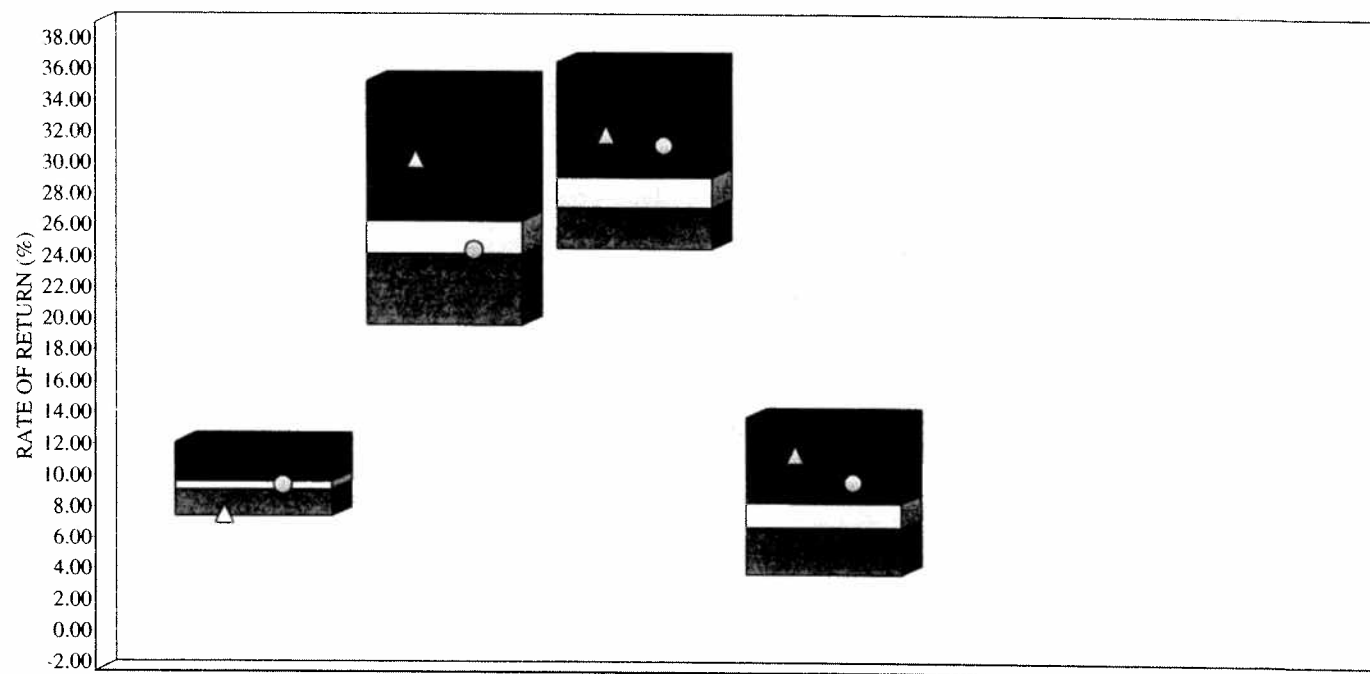
STATE OF SOUTH CAROLINA 401(K) & 457 PLANS  
 AMERICAN FUNDS EUROPACIFIC A  
 TIME-WEIGHTED RETURNS  
 MARCH 31, 2001 THROUGH MARCH 31, 2006




	LATEST QUARTER	ONE YEAR	THREE YEARS	FIVE YEARS
AMERICAN FUNDS EURO	7.54	30.26	31.88	11.41
MSCI NET EAFE	9.40	24.41	31.13	9.64



## STATE OF SOUTH CAROLINA 401(K) & 457 PLANS QUARTILE RANKING ANALYSIS TOTAL FUND AGAINST FOREIGN EQUITY MUTUAL FUNDS MARCH 31, 2001 THROUGH MARCH 31, 2006

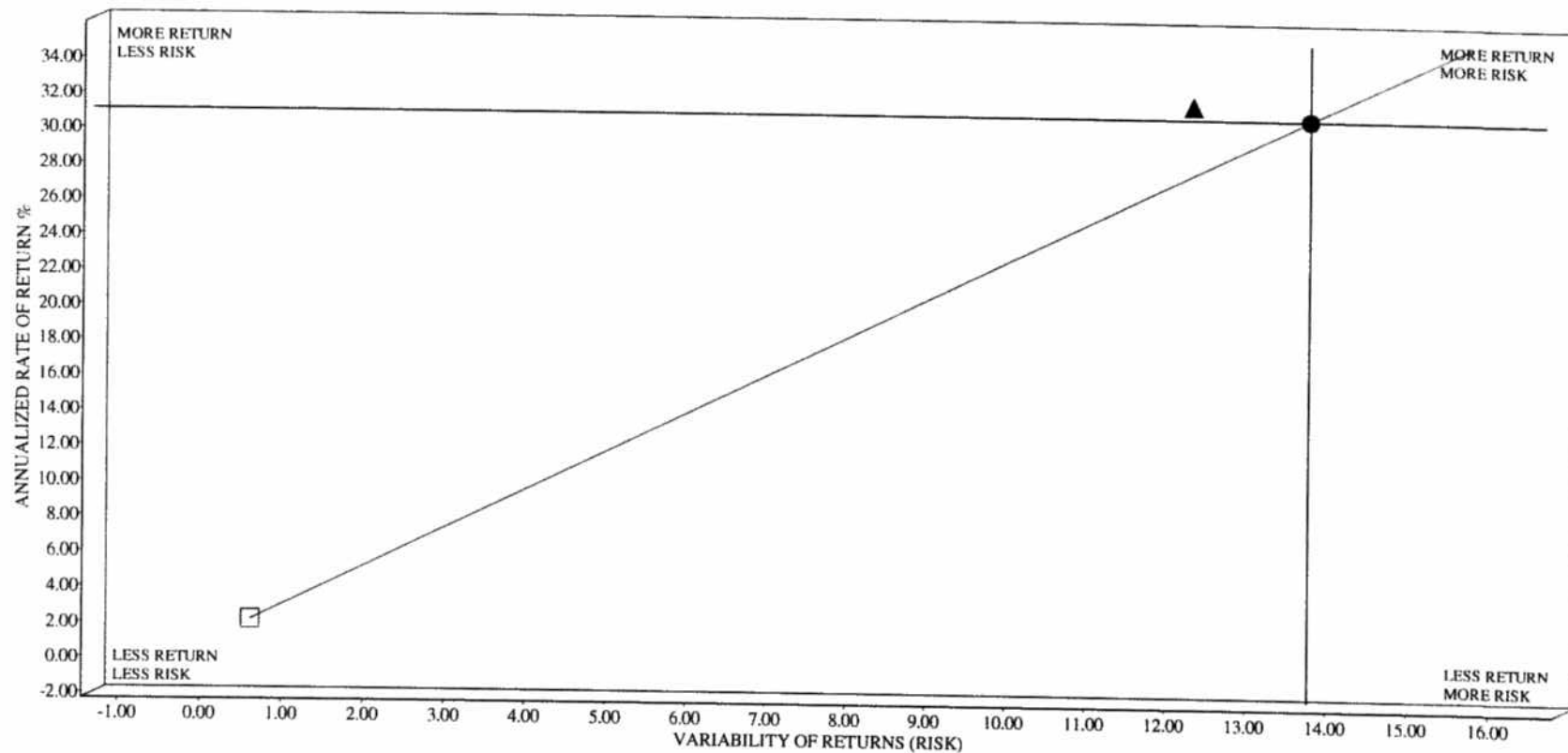


	LATEST QUARTER		ONE YEAR		THREE YEARS		FIVE YEARS	
	HIGHEST VALUE	12.09	35.26	36.51	13.81			
	FIRST QUARTILE	10.39	28.83	31.02	10.29			
	MEDIAN VALUE	9.62	26.31	29.09	8.32			
	THIRD QUARTILE	9.04	24.13	27.11	6.69			
	LOWEST VALUE	7.34	19.55	24.49	3.68			
	MEAN	9.67	26.53	29.19	8.42			

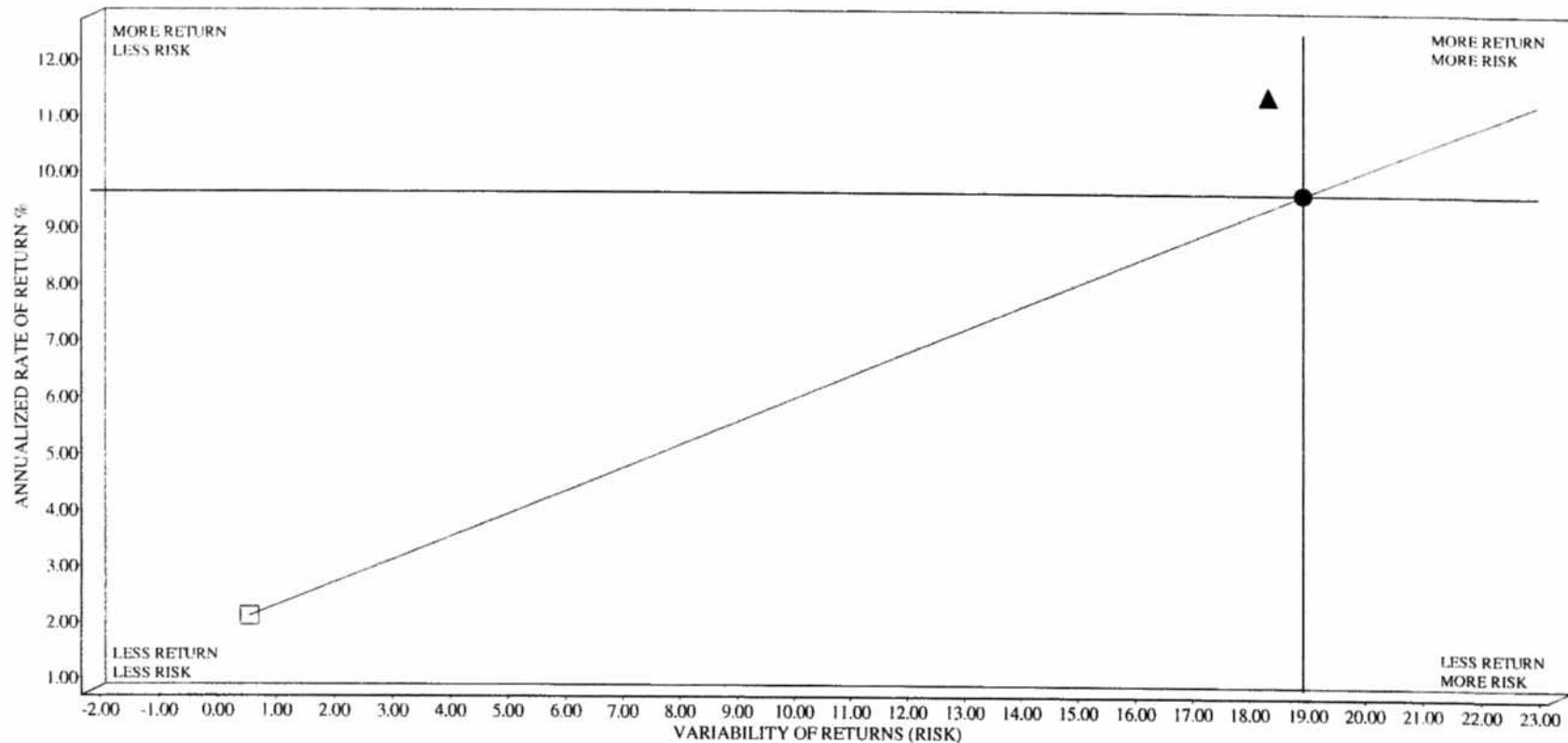
	LATEST QUARTER		ONE YEAR		THREE YEARS		FIVE YEARS	
	RETURN	RANK	RETURN	RANK	RETURN	RANK	RETURN	RANK
Δ AMERICAN FUNDS EURO	7.54	98	30.26	12	31.88	16	11.41	12
○ MSCI NET EAFE	9.40	59	24.41	71	31.13	23	9.64	31

## STATE OF SOUTH CAROLINA 401(K) & 457 PLANS AMERICAN FUNDS EUROPACIFIC A CAPITAL MARKET LINE MARCH 31, 2003 THROUGH MARCH 31, 2006



	RETURN	STD DEV	SHARPE RATIO	ALPHA	R-SQUARED
▲ TOTAL FUND	31.88	12.32	2.41	4.18	92.88
● MSCI NET EAFE	31.13	13.78	2.10	0.00	100.00
□ 90 DAY U.S. T-BILL	2.20	0.62	0.00	0.00	100.00

STATE OF SOUTH CAROLINA 401(K) & 457 PLANS  
 AMERICAN FUNDS EUROPACIFIC A  
 CAPITAL MARKET LINE  
 MARCH 31, 2001 THROUGH MARCH 31, 2006



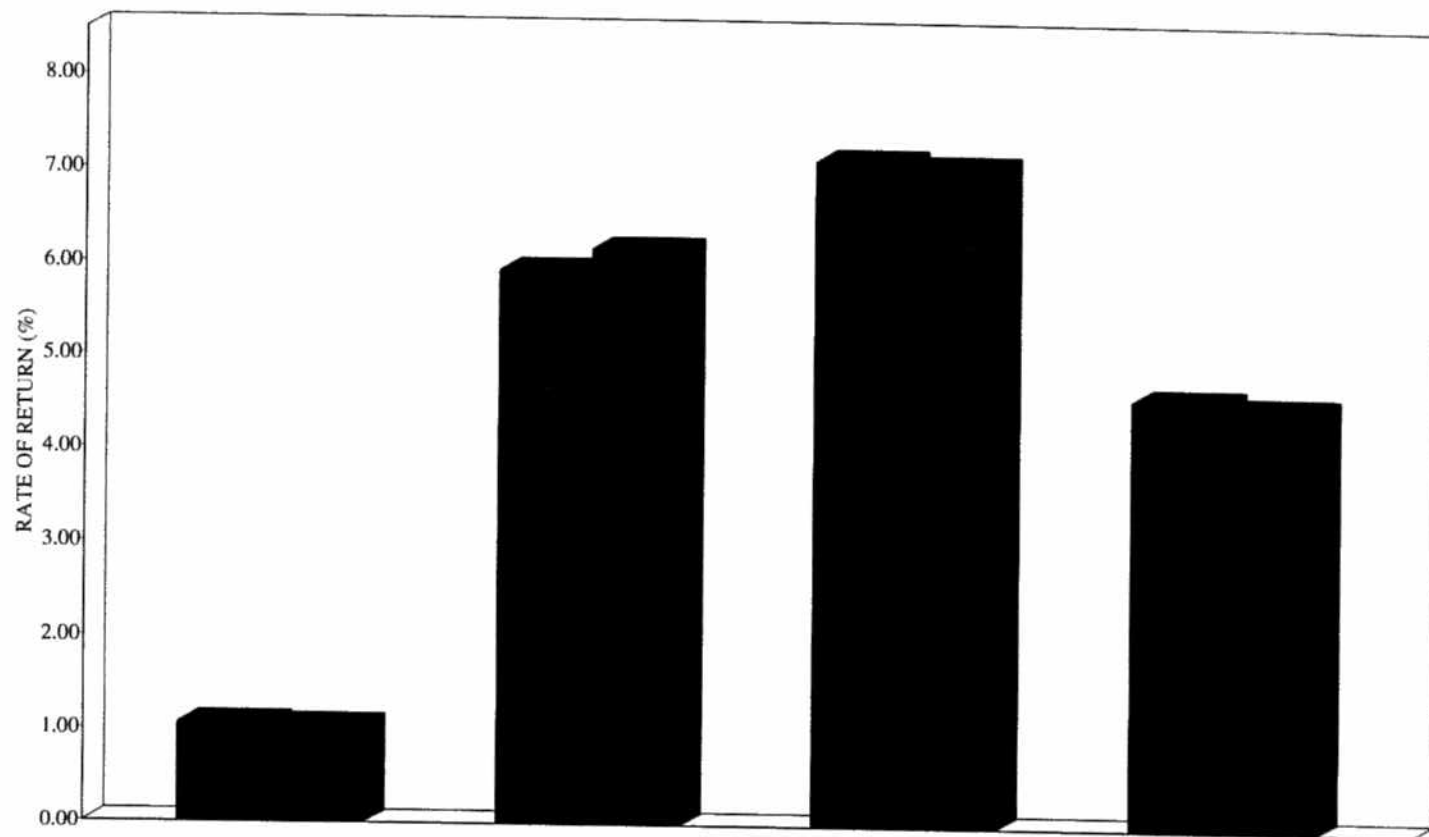
	RETURN	STD DEV	SHARPE RATIO	ALPHA	R-SQUARED
▲ TOTAL FUND	11.41	18.31	0.51	2.01	96.09
● MSCI NET EAFE	9.64	18.92	0.40	0.00	100.00
□ 90 DAY U.S. T-BILL	2.12	0.55	0.00	0.00	100.00

## SSgA Age-Based Funds

NA

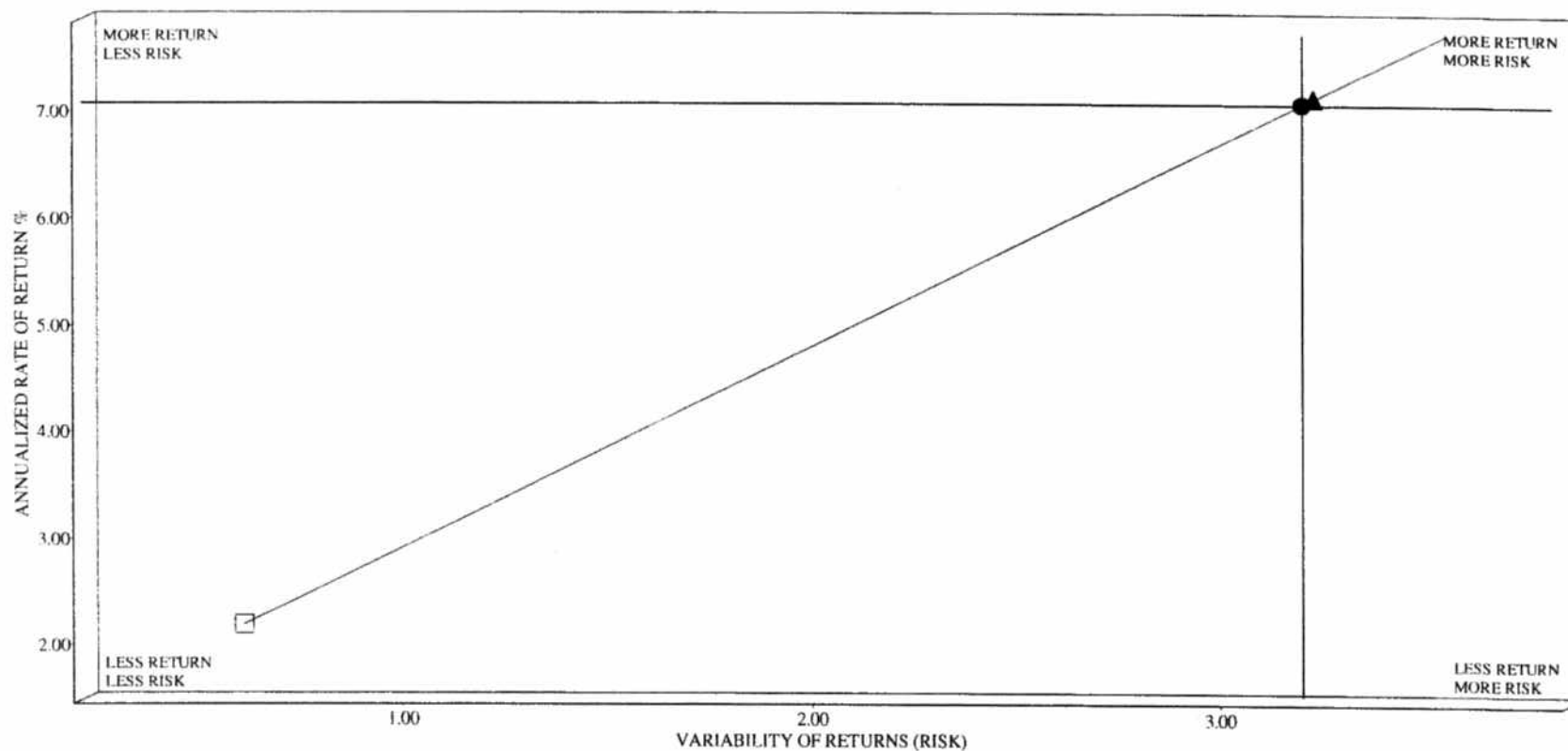
SSgA Age-Based Funds	Target Allocation				
	Income	2010	2020	2030	2040
Short Term Investment Fund	10.0%	5.0%	5.0%	0.0%	0.0%
Limited Duration Bond Fund	40.0	40.0	0.0	0.0	0.0
Lehman US Long Govt Index Fund	25.0	15.0	30.0	20.0	10.0
S&P 500 Index Fund	19.0	30.0	40.0	45.0	45.0
S&P MidCap 400 Index Fund	2.0	3.0	6.0	7.5	10.0
Russell 2000 Index Fund	1.0	2.0	4.0	7.5	10.0
Daily MSCI EAFE Index Fund	3.0	5.0	15.0	20.0	25.0

STATE OF SOUTH CAROLINA 401(K) & 457 PLANS  
SSGA AGE-BASED INCOME SERIES C  
TIME-WEIGHTED RETURNS  
MARCH 31, 2001 THROUGH MARCH 31, 2006



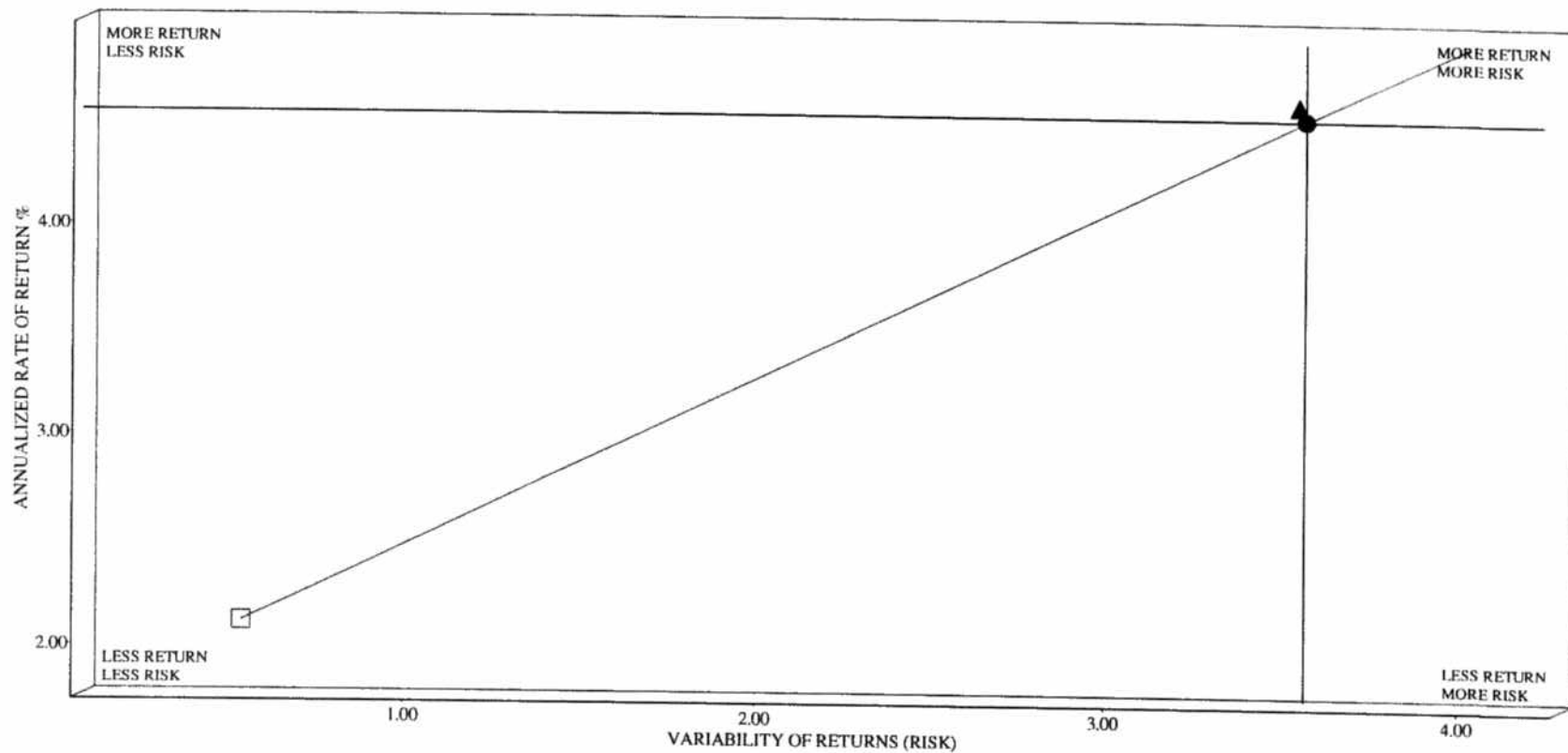
	LATEST QUARTER	ONE YEAR	THREE YEARS	FIVE YEARS
SSQA INCOME SERIES C	1.07	5.94	7.14	4.61
SSQA INCOME INDEX	1.05	6.18	7.08	4.54

**STATE OF SOUTH CAROLINA 401(K) & 457 PLANS  
SSGA AGE-BASED INCOME SERIES C  
CAPITAL MARKET LINE  
MARCH 31, 2003 THROUGH MARCH 31, 2006**



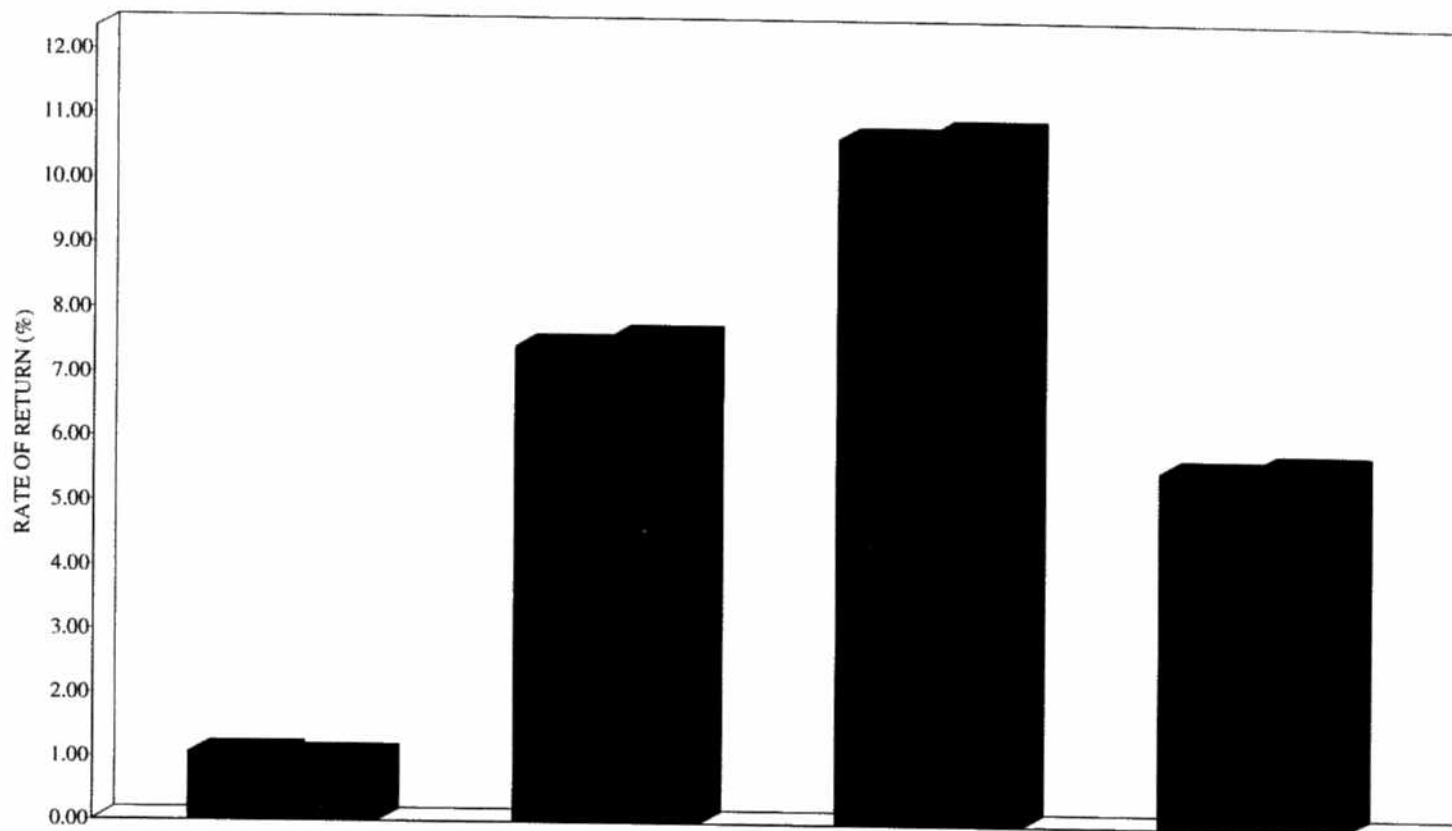
	RETURN	STD DEV	BETA	ALPHA	R-SQUARED
▲ TOTAL FUND	7.14	3.23	1.01	0.01	99.84
● SSGA INCOME INDEX	7.08	3.20	1.00	0.00	100.00
□ 90 DAY U.S. T-BILL	2.20	0.62	1.00	0.00	100.00

STATE OF SOUTH CAROLINA 401(K) & 457 PLANS  
SSGA AGE-BASED INCOME SERIES C  
CAPITAL MARKET LINE  
MARCH 31, 2001 THROUGH MARCH 31, 2006



	RETURN	STD DEV	BETA	ALPHA	R-SQUARED
▲ TOTAL FUND	4.61	3.55	1.00	0.08	99.86
● SSQA INCOME INDEX	4.54	3.57	1.00	0.00	100.00
□ 90 DAY U.S. T-BILL	2.12	0.55	1.00	0.00	100.00

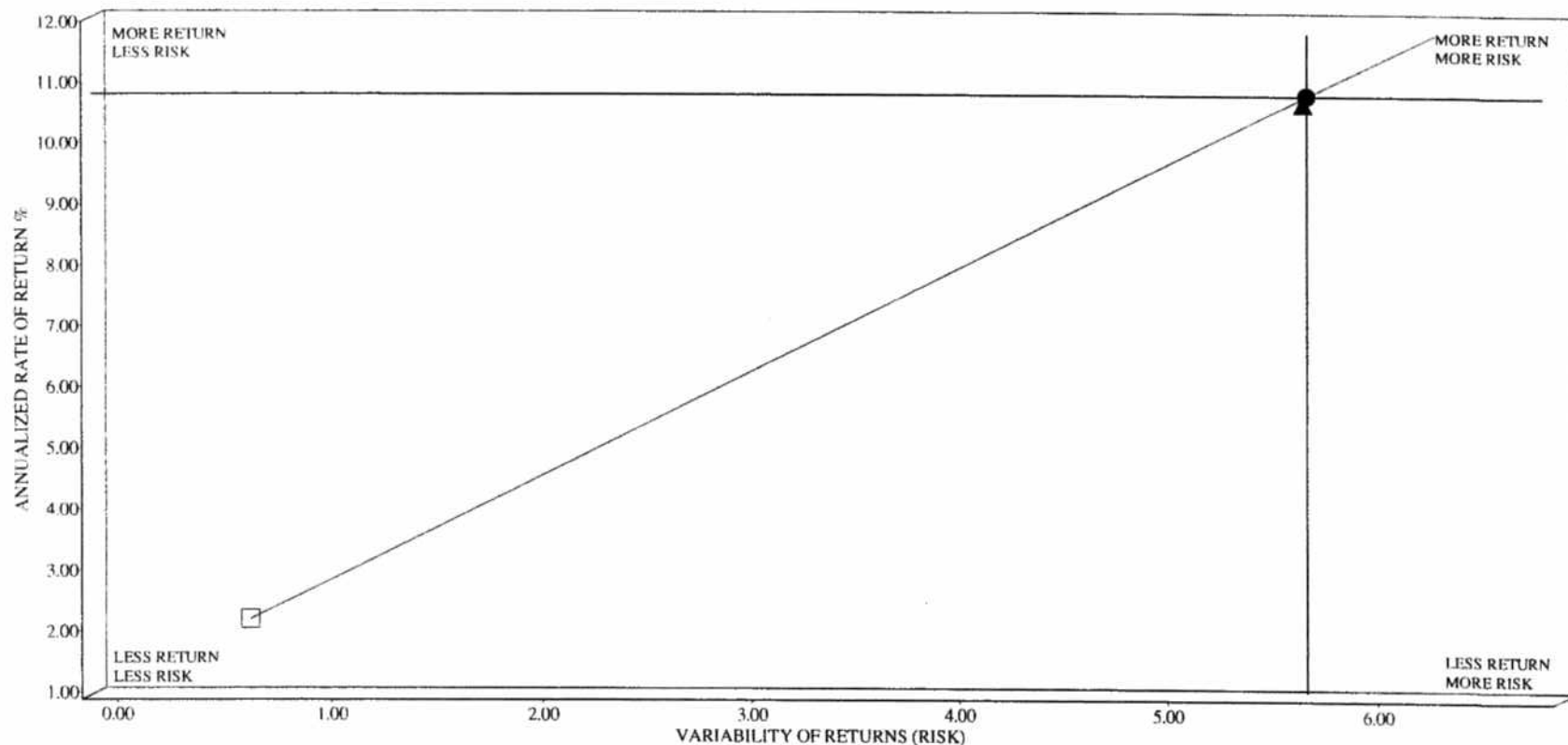
STATE OF SOUTH CAROLINA 401(K) & 457 PLANS  
SSGA AGE-BASED 2010 SERIES C  
TIME-WEIGHTED RETURNS  
MARCH 31, 2001 THROUGH MARCH 31, 2006



	LATEST QUARTER	ONE YEAR	THREE YEARS	FIVE YEARS
SSGA 2010 SERIES C	1.07	7.44	10.68	5.57
SSGA 2010 INDEX	1.02	7.59	10.81	5.68

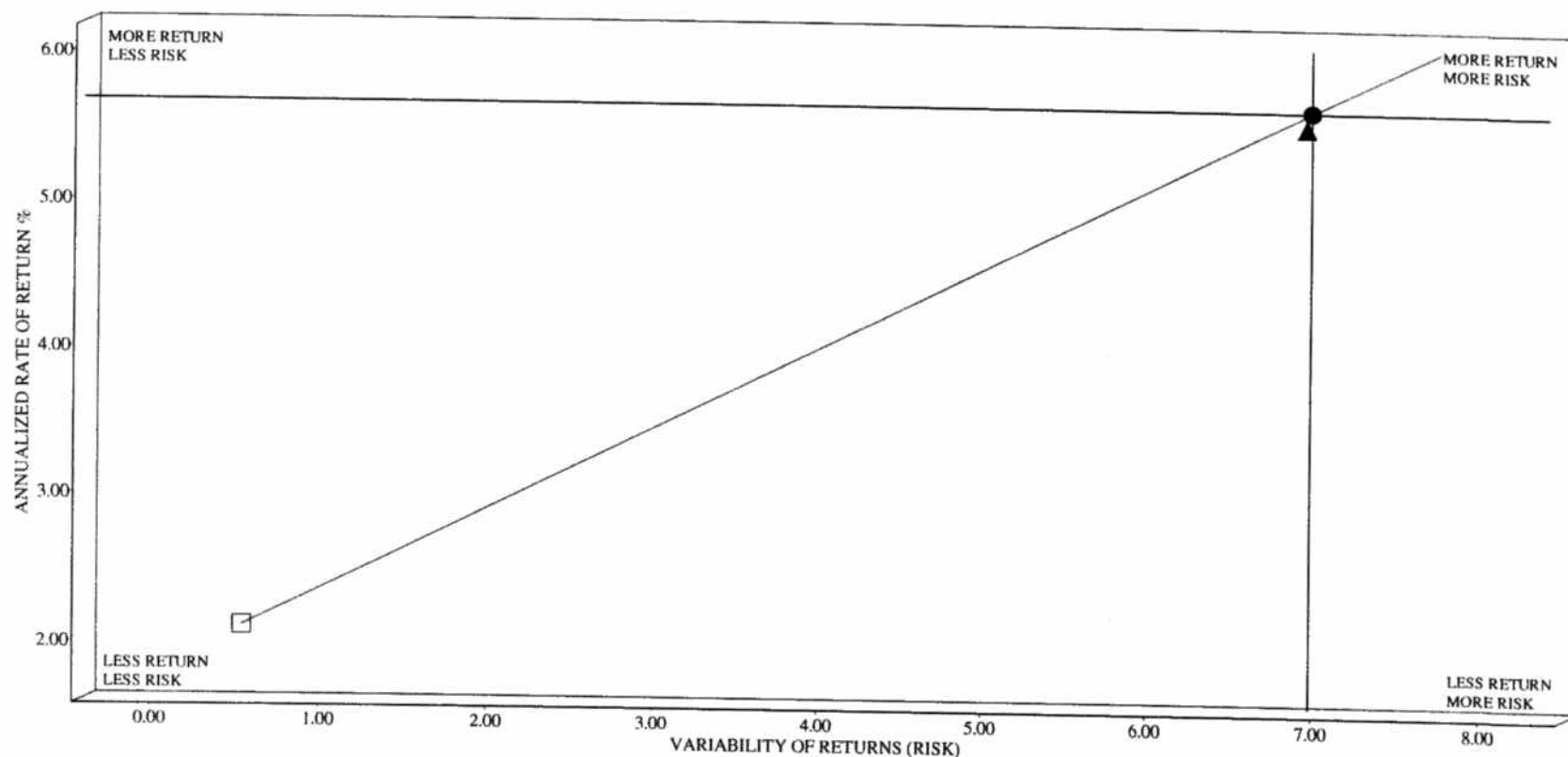


## STATE OF SOUTH CAROLINA 401(K) & 457 PLANS SSGA AGE-BASED 2010 SERIES C CAPITAL MARKET LINE MARCH 31, 2003 THROUGH MARCH 31, 2006



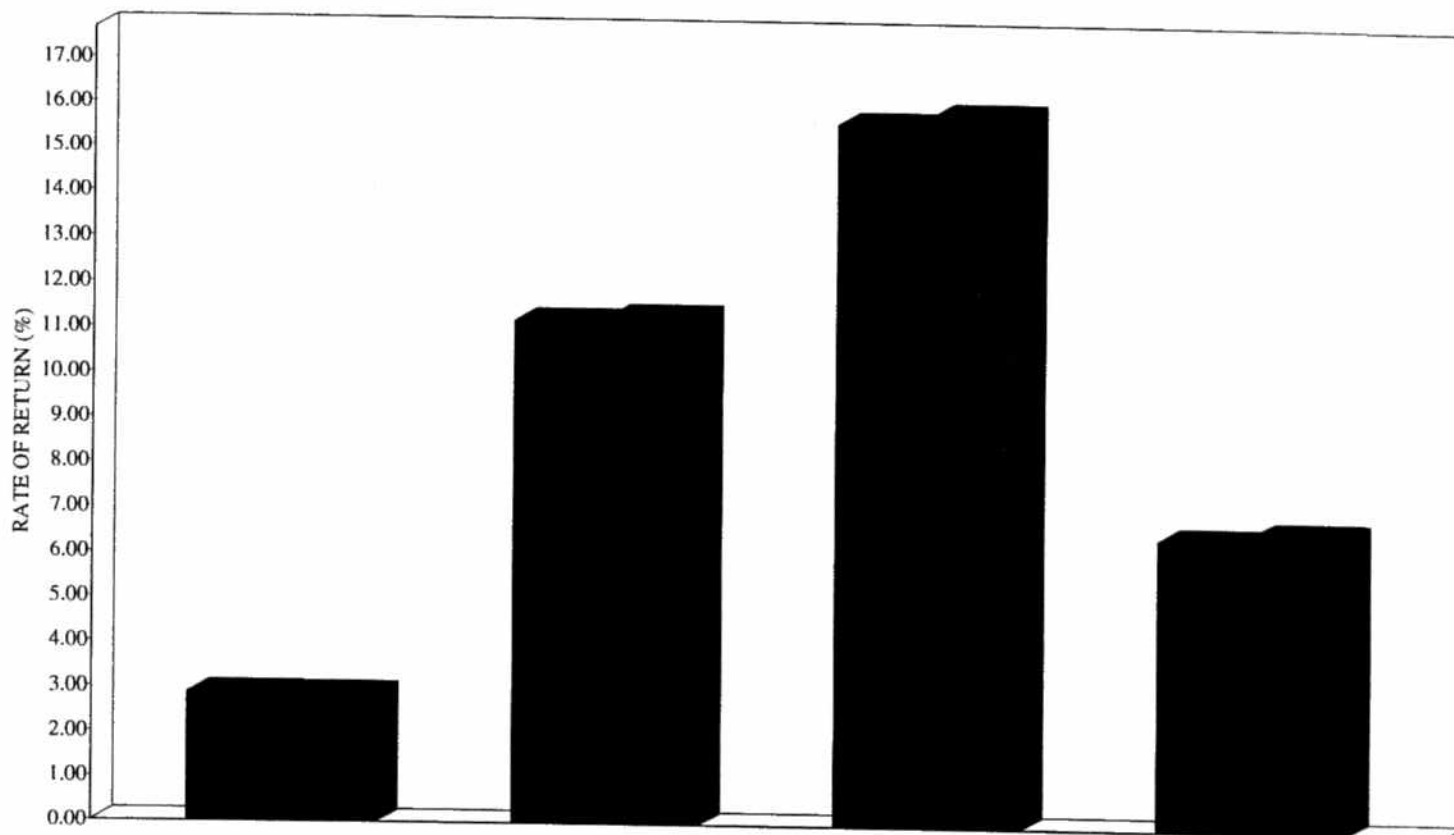
	RETURN	STD DEV	BETA	ALPHA	R-SQUARED
▲ TOTAL FUND	10.68	5.65	1.00	-0.09	99.98
● SSQA 2010 INDEX	10.81	5.67	1.00	0.00	100.00
□ 90 DAY U.S. T-BILL	2.20	0.62	1.00	0.00	100.00

## STATE OF SOUTH CAROLINA 401(K) & 457 PLANS SSGA AGE-BASED 2010 SERIES C CAPITAL MARKET LINE MARCH 31, 2001 THROUGH MARCH 31, 2006



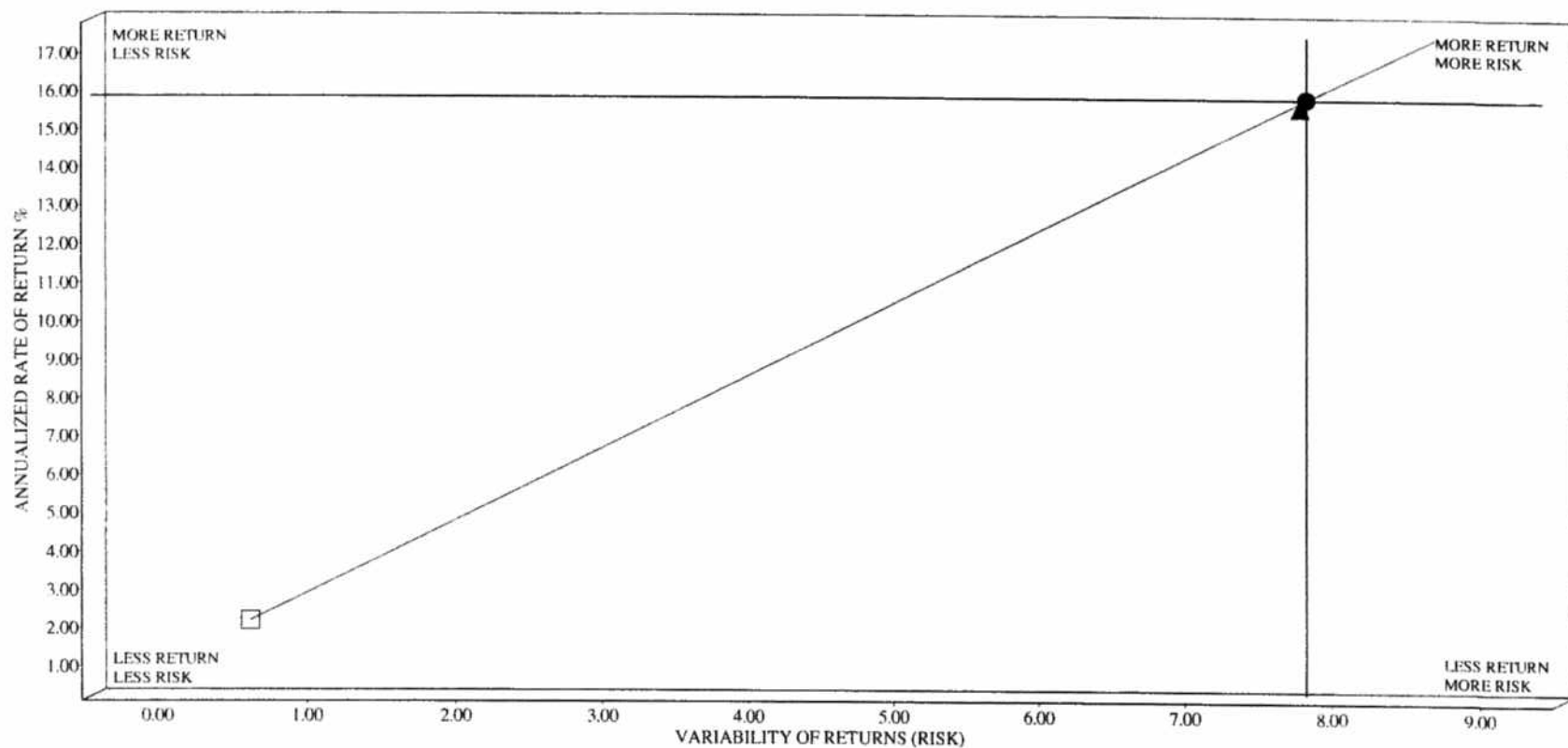
	RETURN	STD DEV	BETA	ALPHA	R-SQUARED
▲ TOTAL FUND	5.57	6.96	1.00	-0.09	99.99
● SSQA 2010 INDEX	5.68	6.98	1.00	0.00	100.00
□ 90 DAY U.S. T-BILL	2.12	0.55	1.00	0.00	100.00

STATE OF SOUTH CAROLINA 401(K) & 457 PLANS  
SSGA AGE-BASED 2020 SERIES C  
TIME-WEIGHTED RETURNS  
MARCH 31, 2001 THROUGH MARCH 31, 2006



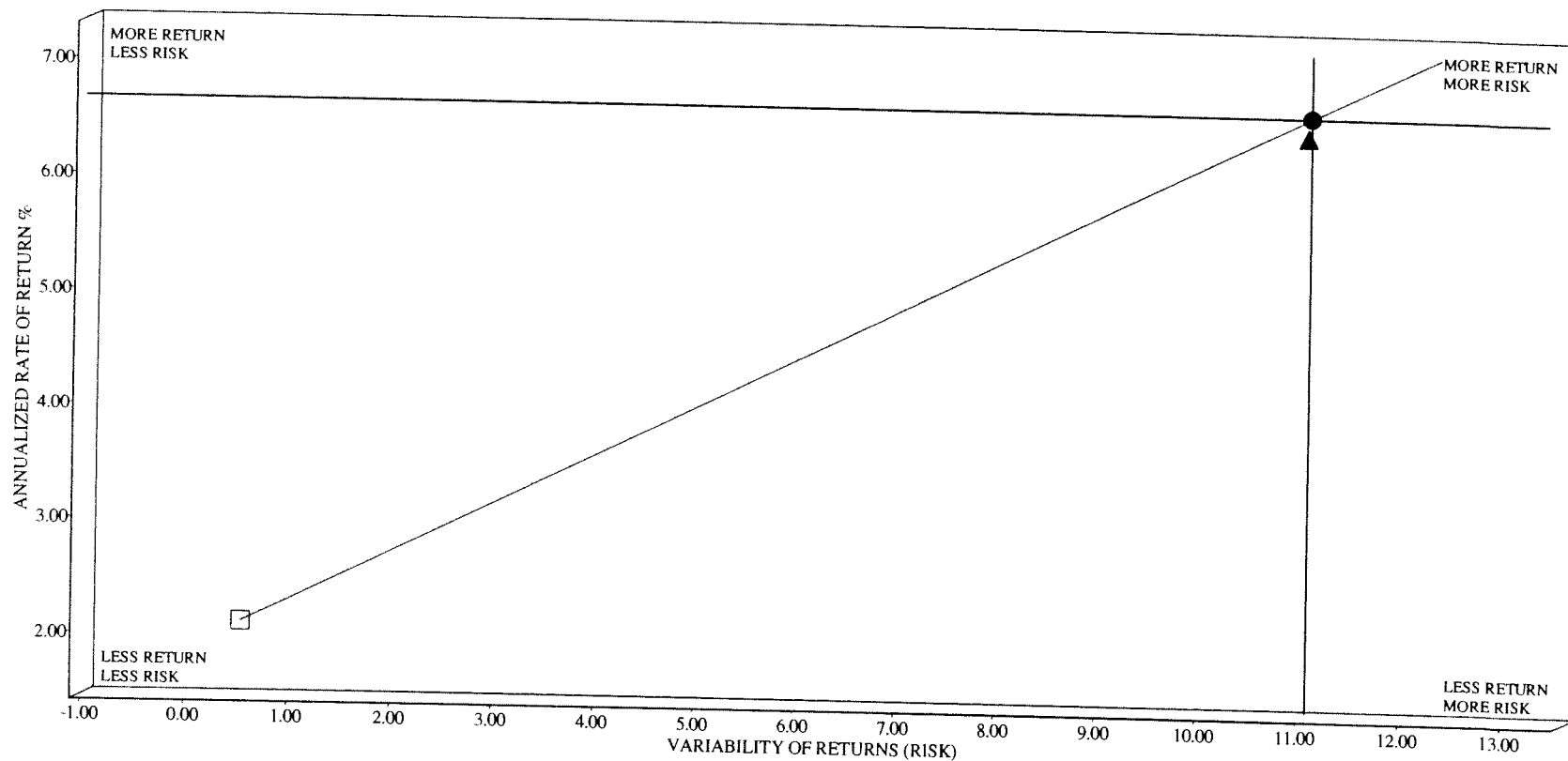
	LATEST QUARTER	ONE YEAR	THREE YEARS	FIVE YEARS
SSQA 2020 SERIES C	2.88	11.22	15.67	6.51
SSQA 2020 INDEX	2.87	11.33	15.88	6.67

STATE OF SOUTH CAROLINA 401(K) & 457 PLANS  
SSGA AGE-BASED 2020 SERIES C  
CAPITAL MARKET LINE  
MARCH 31, 2003 THROUGH MARCH 31, 2006



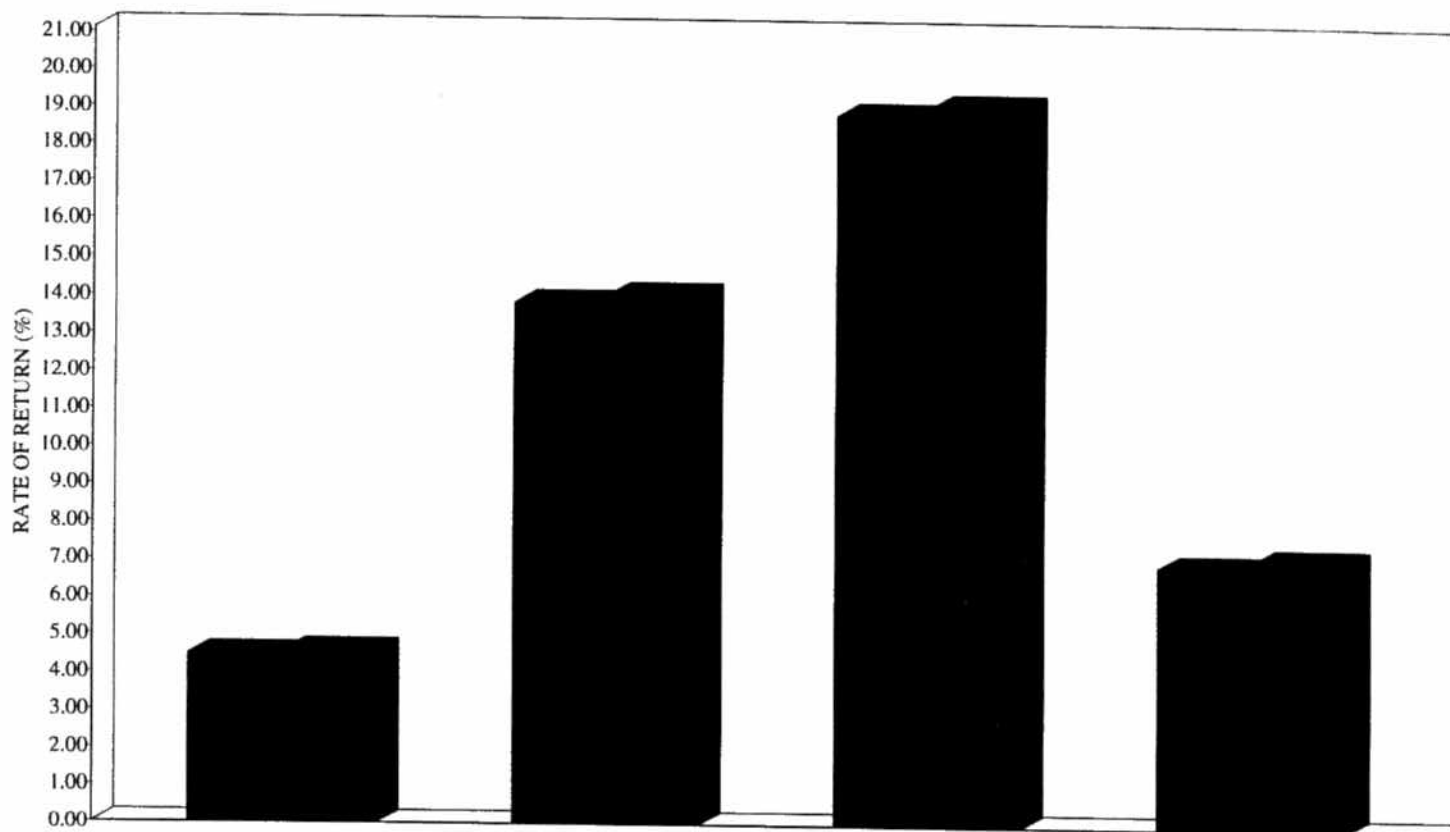
	RETURN	STD DEV	BETA	ALPHA	R-SQUARED
▲ TOTAL FUND	15.67	7.79	0.99	-0.12	100.00
● SSQA 2020 INDEX	15.88	7.83	1.00	0.00	100.00
□ 90 DAY U.S. T-BILL	2.20	0.62	1.00	0.00	100.00

## STATE OF SOUTH CAROLINA 401(K) & 457 PLANS SSGA AGE-BASED 2020 SERIES C CAPITAL MARKET LINE MARCH 31, 2001 THROUGH MARCH 31, 2006



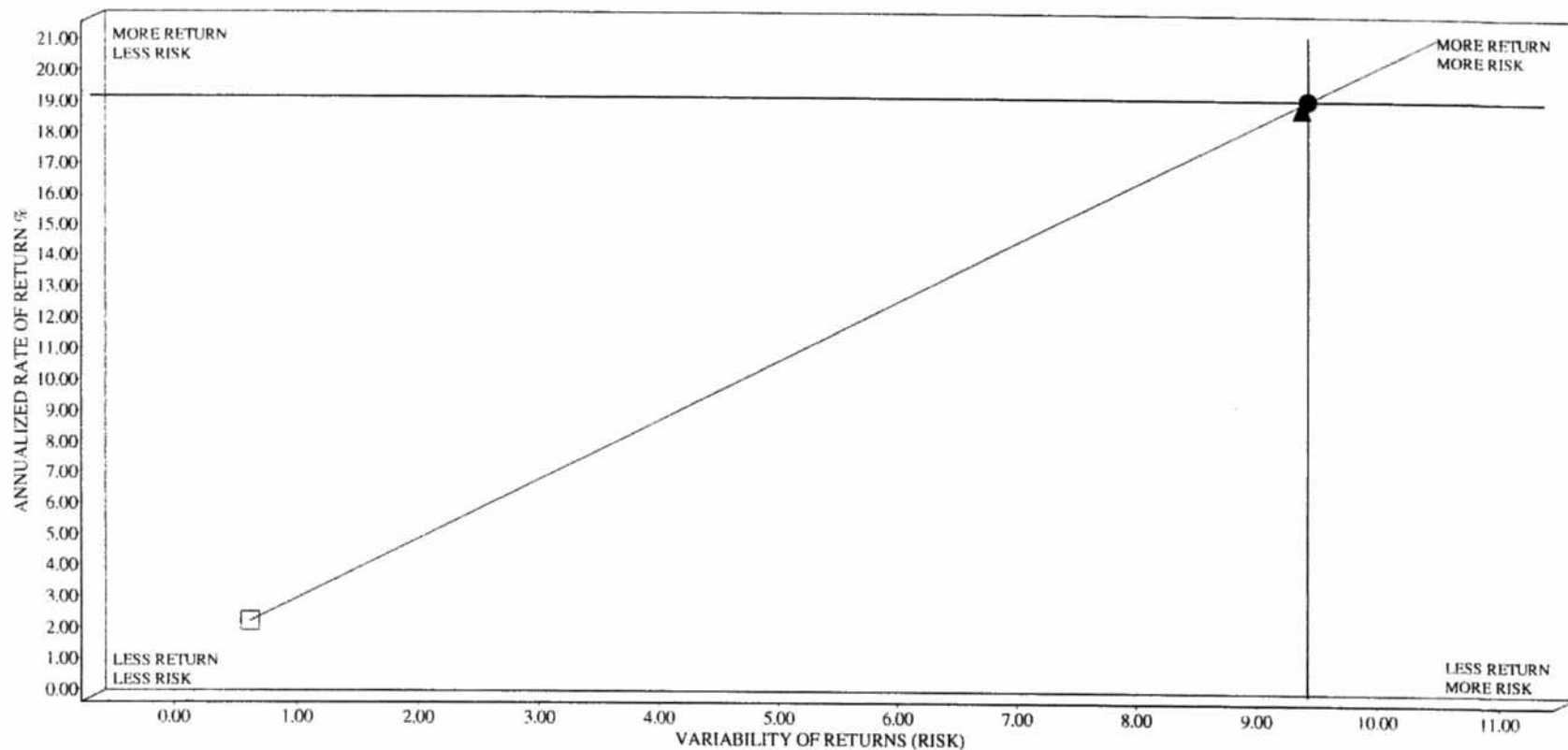
	RETURN	STD DEV	BETA	ALPHA	R-SQUARED
▲ TOTAL FUND	6.51	11.06	1.00	-0.15	99.99
● SSQA 2020 INDEX	6.67	11.09	1.00	0.00	100.00
□ 90 DAY U.S. T-BILL	2.12	0.55	1.00	0.00	100.00

STATE OF SOUTH CAROLINA 401(K) & 457 PLANS  
SSGA AGE-BASED 2030 SERIES C  
TIME-WEIGHTED RETURNS  
MARCH 31, 2001 THROUGH MARCH 31, 2006



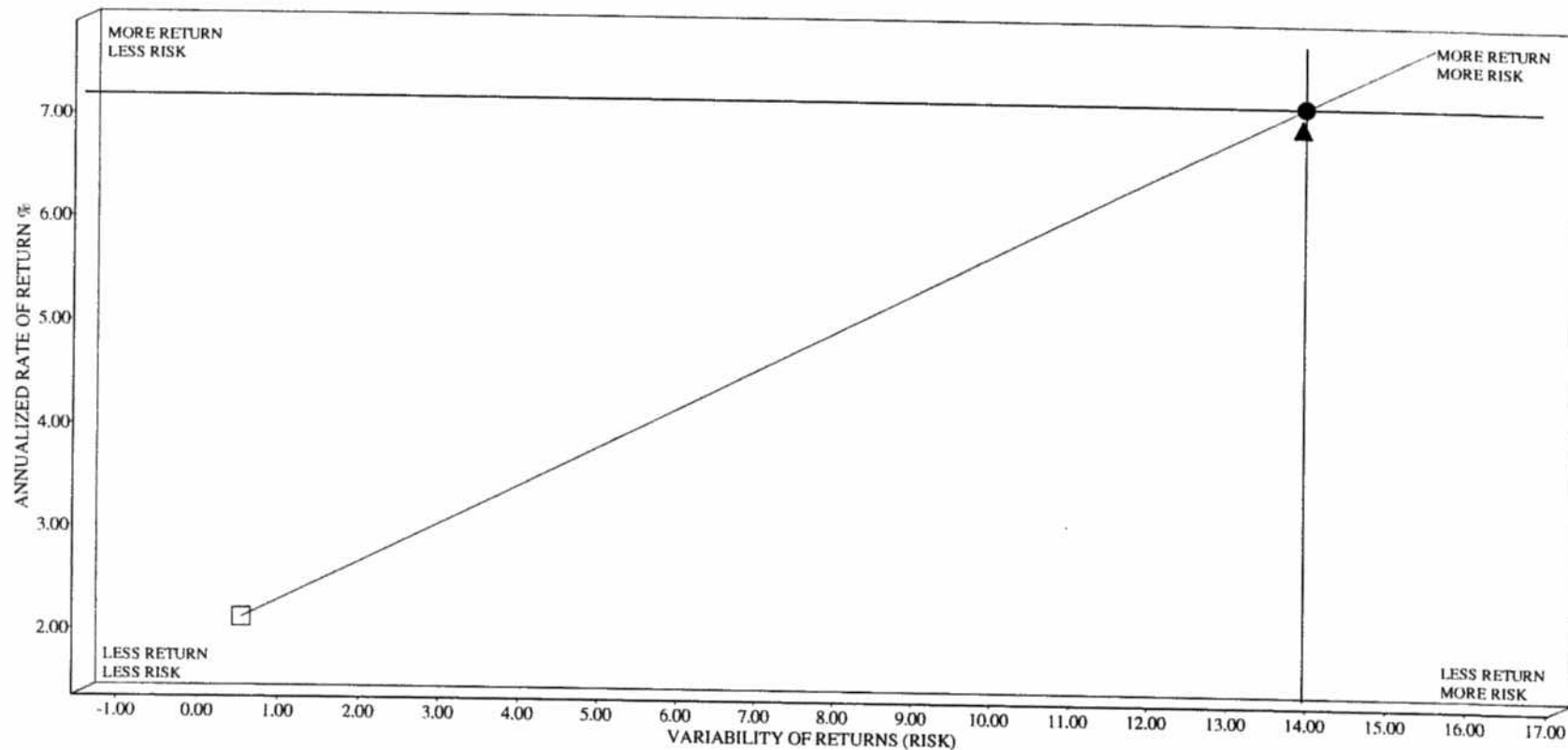
	LATEST QUARTER	ONE YEAR	THREE YEARS	FIVE YEARS
SSGA 2030 SERIES C	4.49	13.86	18.90	6.99
SSGA 2030 INDEX	4.59	14.08	19.17	7.19

**STATE OF SOUTH CAROLINA 401(K) & 457 PLANS  
SSGA AGE-BASED 2030 SERIES C  
CAPITAL MARKET LINE  
MARCH 31, 2003 THROUGH MARCH 31, 2006**



	RETURN	STD DEV	BETA	ALPHA	R-SQUARED
▲ TOTAL FUND	18.90	9.37	0.99	-0.15	100.00
● SSGA 2030 INDEX	19.17	9.42	1.00	0.00	100.00
□ 90 DAY U.S. T-BILL	2.20	0.62	1.00	0.00	100.00

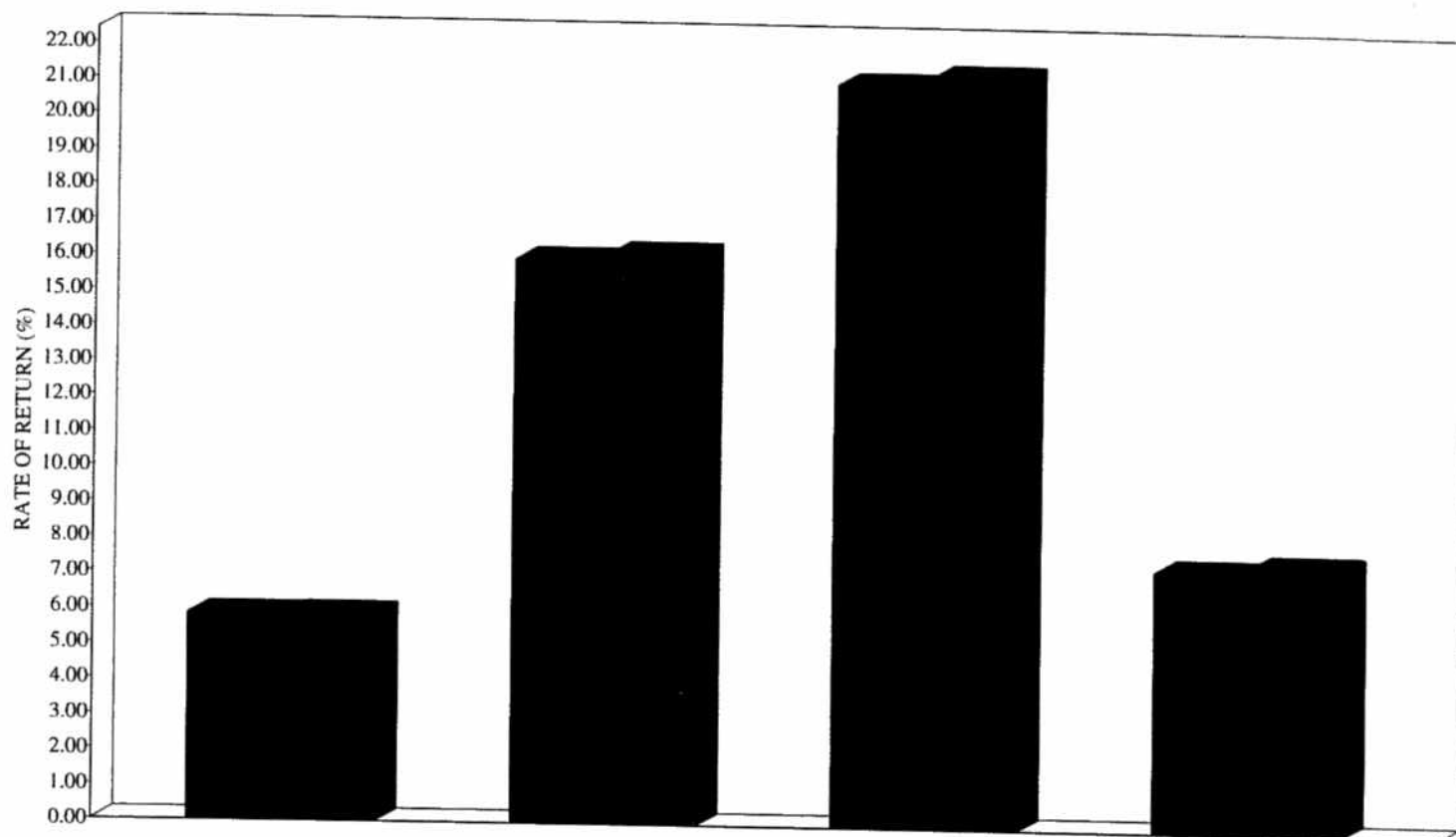
## STATE OF SOUTH CAROLINA 401(K) & 457 PLANS SSGA AGE-BASED 2030 SERIES C CAPITAL MARKET LINE MARCH 31, 2001 THROUGH MARCH 31, 2006



	RETURN	STD DEV	BETA	ALPHA	R-SQUARED
▲ TOTAL FUND	6.99	13.93	1.00	-0.18	100.00
● SSQA 2030 INDEX	7.19	13.96	1.00	0.00	100.00
□ 90 DAY U.S. T-BILL	2.12	0.55	1.00	0.00	100.00

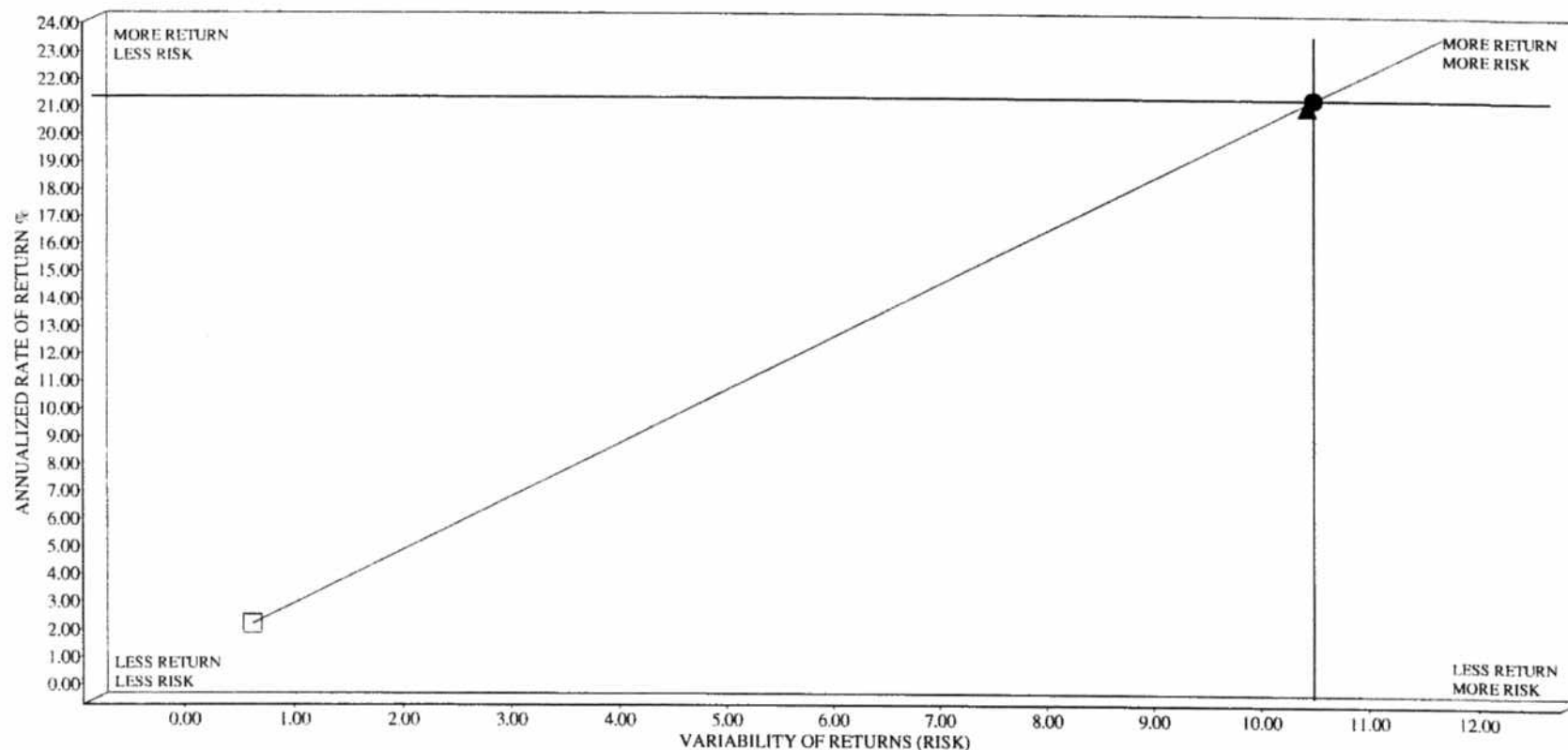


STATE OF SOUTH CAROLINA 401(K) & 457 PLANS  
SSGA AGE-BASED 2040 SERIES C  
TIME-WEIGHTED RETURNS  
MARCH 31, 2001 THROUGH MARCH 31, 2006



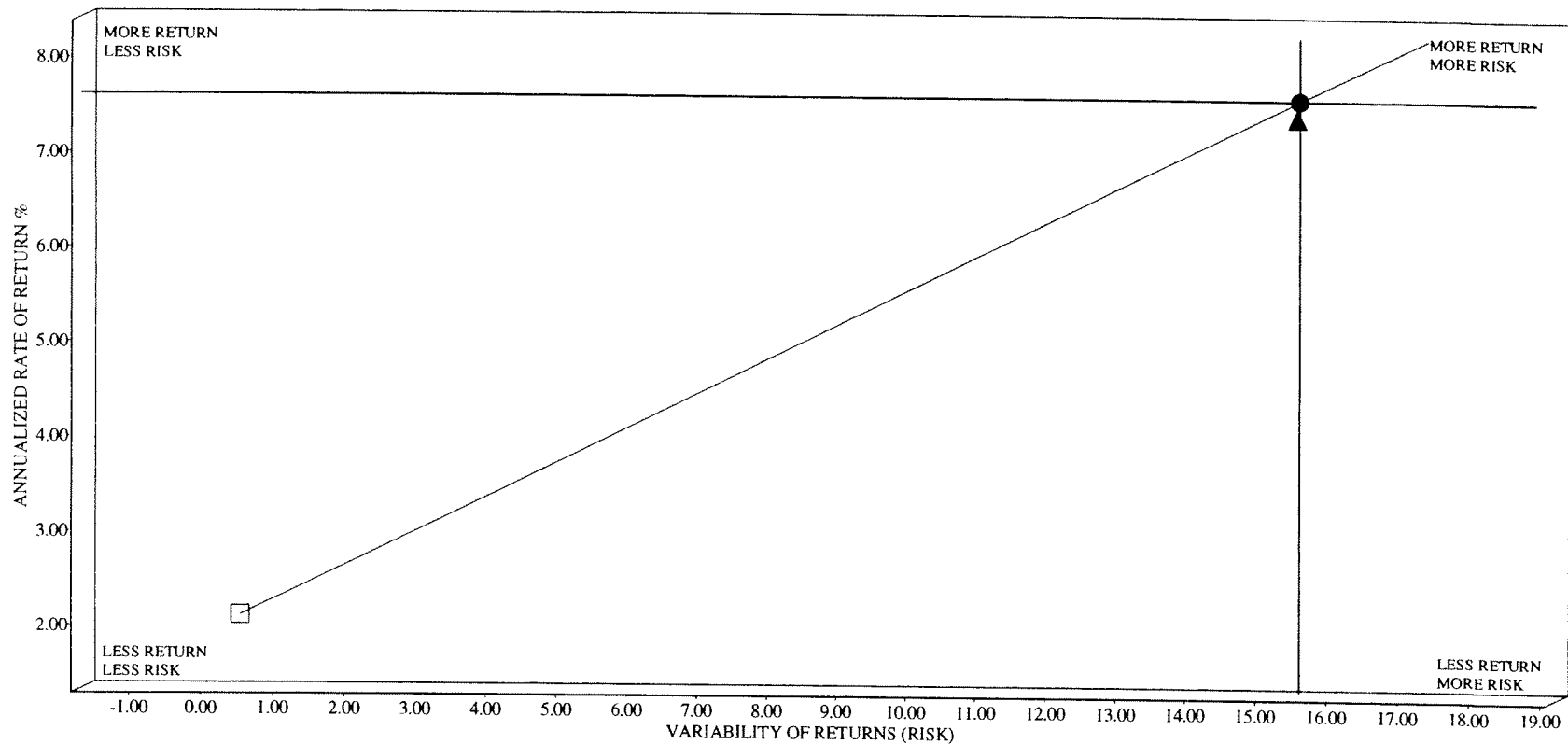
	LATEST QUARTER	ONE YEAR	THREE YEARS	FIVE YEARS
SSGA 2040 SERIES C	5.85	15.99	21.10	7.43
SSGA 2040 INDEX	5.88	16.19	21.35	7.62

**STATE OF SOUTH CAROLINA 401(K) & 457 PLANS  
SSGA AGE-BASED 2040 SERIES C  
CAPITAL MARKET LINE  
MARCH 31, 2003 THROUGH MARCH 31, 2006**



	RETURN	STD DEV	BETA	ALPHA	R-SQUARED
▲ TOTAL FUND	21.10	10.43	0.99	-0.12	100.00
● SSQA 2040 INDEX	21.35	10.49	1.00	0.00	100.00
□ 90 DAY U.S. T-BILL	2.20	0.62	1.00	0.00	100.00

## STATE OF SOUTH CAROLINA 401(K) & 457 PLANS SSGA AGE-BASED 2040 SERIES C CAPITAL MARKET LINE MARCH 31, 2001 THROUGH MARCH 31, 2006



	RETURN	STD DEV	BETA	ALPHA	R-SQUARED
▲ TOTAL FUND	7.43	15.58	1.00	-0.17	100.00
● SSQA 2040 INDEX	7.62	15.62	1.00	0.00	100.00
□ 90 DAY U.S. T-BILL	2.12	0.55	1.00	0.00	100.00

### **Major Equity Strategies and Terminology**

**Bottom-up** - refers to a manager whose practice it is first to choose securities that are attractive buys because of specific characteristics of the security. They attempt to find values in these securities anticipated to create future opportunities for profit.

**Contrarian** - Style of management that invests in companies that are relatively unpopular and out of favor with a majority of investors

**Core** - managers handle diversified portfolios, typically using a broad index as their benchmark. They are hired to obtain at least general market performance. Core managers are the foundation of active equity portfolio management on which specialized, more dynamic management is built.

**Earnings Per Share (EPS)** - That portion of a company's profit allocated to each outstanding share of common stock.

**Equity** - Investment or ownership interest possessed by shareholders in a corporation.

**Fundamental** - This style includes managers who generate ideas by examining industry publications, 13D filings, company reports and documents, and thorough discussions with company officials. They also use SEC documents to examine a company's financial strength. Attention is also given to industry dynamics as well as the potential for events to occur that would expose a company's underlying values.

**Growth** - actually encompasses several styles. In general, managers emphasizing growth stocks attempt to identify companies whose sales, earnings, etc. are growing or are expected to grow more rapidly than other stocks and for the economy as a whole.

**Indexing (passive investing)** - The objective of the index style is to mirror the S&P 500, or another index, and replicate the performance of that index by purchasing all or a representative sampling of the stocks in that index. Managers hold a large number of stocks in their portfolios with performance results not heavily dependent upon any single issue.

**Median Market Capitalization** - The middle market value in a distribution of stock holdings.

**Price Earnings Ratio (P/E)** - The current price of a stock divided by its earnings per share.

**Price to Book Ratio (P/B)** - The current price of a stock divided by its book value per share.

**Sector Rotation** - stresses identification and overemphasis of the sectors of the stock market expected to perform well and underweighting the expected laggards. The investment approach is "top down" in that emphasized sectors are usually identified as those that should perform well based upon anticipated economic, political, demographic and social trends.

**Top-Down** - means that the manager looks at the "big picture" first – interest rates, the domestic and/or global economy, the money supply and other economic measures, Federal Reserve behavior, trade figures, inflation, etc. to determine the portfolio allocation to stocks, bonds or cash. Secondly, the manager chooses, for investment, specific sectors and industries consistent within the above mentioned factors. Finally, the manager picks specific securities to buy in the chosen groups.

**Value** - managers analyze a universe of stocks and identify those that may be significantly undervalued (cheap) relative to a variety of fundamental and/or technical criteria. A variety of different "tests" are applied to each stock under analysis based upon the manager's definition of value. Some of the most common measures of value include the price/earnings (P/E) ratio, price/book value ratio, and price/cash flow ratio.

**Volatility** - A measure of the size and frequency of the fluctuations in the value of a stock, bond or a portfolio. The greater the volatility, the higher the risk involved in holding the investment.

### **Major Fixed Income Strategies and Terminology**

**Agency Bonds** - Debt obligations issued by government sponsored organizations such as the Federal Home Loan Bank and Federal Land Bank. After Treasuries, agency bonds are considered the next highest quality securities in the domestic fixed income market.

**Asset Backed Securities** - Debt securities representing pools of consumer loans, typically auto loans or revolving consumer debt.

**Bottom-up** - Refers to a manager whose practice it is first to choose the debt securities that are attractive buys because of specific characteristics of the security. They attempt to find values in these securities anticipated to create future opportunities for profit.

**Convexity** - A mathematical prediction of how a bond will perform relative to other bonds of similar duration given a specific change in interest rates. For example, a debt security is said to have positive convexity should a decline in interest rates produce a price rise above the average equivalent security and negative convexity should the decline in interest rates produce a price rise below the average equivalent security.

**Coupon Rate** - the annual rate of interest paid to the bond holder.

**Credit Bonds** - Debt obligations issued by private corporations.

**Duration** - A measure of the effective maturity of a bond, defined as the weighted average of the times until each payment, with weights proportional to the present value of the payment.

**Fixed Income** - Debt instruments issued by corporations, governments or government agencies characterized by a fixed interest rate and stated maturity date

**High Yield** - Bonds rated BB (Ba) or lower by Standard & Poor's Corporation and Moody's Investor Service. High Yield bonds are lower quality than investment grade bonds and have greater credit risk.

**Indexing (passive investing)** - A passive management style, indexing, involves buying a portfolio that replicates a chosen bond index in all characteristics (e.g. average maturity, coupon, quality). However, the portfolio holds only a fraction of the number of bonds in the index, but holds many more than in other styles of fixed income management. The goal is to match the performance of the index.

**Interest Rate Anticipation** - The interest rate anticipator employs an active bond strategy to adjust risk/return potentials based on attempting to anticipate change in various levels of interest. If interest rates are going up, the interest rate anticipator will shorten maturities. If rates are going down, maturities will be lengthened.

**Intermediate Term Bond** - Bonds with a maturity between three and ten years.

**Investment Grade** - Bonds rated BBB (Baa) or higher by Standard & Poor's Corporation and Moody's Investment Services. Investment Grade bonds are higher quality than high yield bonds and have lower credit risk.

**Long Term Bond** - A bond with a maturity of ten years or more.

**Market Timing** - Market timing may be viewed as extreme interest rate anticipation. This manager is generally fully invested in long-term bonds if rates are expected to decline and up to 100% in cash if rates are likely to rise. There is little security selection involved: to implement very large purchases and sales very quickly, the timer uses only the most liquid bonds, usually Treasury Bonds.

**Mortgage Backed Security** - A security in which a group of mortgages are pooled together and act as collateral for the issuance of the security. The Principal and interest payments of the underlying mortgages are "passed-through" to the security holder. These securities are issued through governmental agencies.

**Municipal Bonds** - Bonds issued by a state or local government or one of its agencies to supplement tax revenues for use in operating or capital expenditures.

***Quality Rating*** - A measure of a bond issuer's credit quality, or its ability to meet future contractual obligations. Two widely used bond ratings systems are Moody's and Standard & Poors.

***Sector, Coupon, Credit Analysis*** - This style is often used in conjunction with other fixed income styles to select individual bonds. The current yield spreads between bonds in different sectors (*e.g.* U.S. Government versus corporate), with different coupons, or with different credit ratings are compared with the historic yield spreads to determine the most attractive sectors, coupons and credit ratings

***Top-Down*** - Means that the manager looks at the "big picture" first - interest rates, the domestic and/or global economy, the money supply and other economic measures, Federal Reserve behavior, trade figures, inflation, etc. to determine the optimal duration, sector and quality of the debt securities held in the portfolio. Secondly, the manager chooses, for investment, specific sectors and industries consistent within the above mentioned factors. Finally, the manager picks specific debt securities to buy in the chosen groups.

***Treasury Securities*** - A bond that is a direct debt obligation of the U.S. government issued by the U.S. Treasury. Backed by the "full faith and credit" of the United States, these bonds are considered among the safest investments carrying AAA/Aaa ratings.

***Volatility*** - A measure of the size and frequency of the fluctuation in the value of a stock, bond or a portfolio. The greater the volatility, the higher the risk involved in holding the investment.

***Yield to Maturity*** - Internal rate of return on a bond bought at the current price and held to maturity. This assumes that coupon income is reinvested at the yield to maturity.

### **Quantitative Terms**

**Alpha** - a measure of value added by the manager. Specifically, alpha is the excess portfolio return compared to the risk-adjusted benchmark.

**Beta** - A measure of a stock's (or portfolio) price and performance volatility relative to the market (benchmark index). A beta of 1.00 means a stock has exhibited the same volatility as the market over the period measured. A beta of 0.85 means, in general, a stock is less volatile than the market (moves 0.85% for each 1.00% move in the market) where a beta of 1.15 means a stock is more volatile than the market.

**Correlation Coefficient** - a statistical measure of the degree to which the movements of two variables are related. A correlation of 1.0 indicates a perfect correlation. A correlation of 0.0 indicates a random relationship between the returns and a correlation of -1.0 indicates a perfect negative correlation (same magnitude in different directions).

**Diversification** - The reduction in risk that is sought by investing in assets that are not perfectly positively correlated. Diversification is the spreading of risk among a number of different investment opportunities.

**Down market** - A quarter in which the market return is negative.

**Information Ratio** - A measure of the consistency of value added by an investment manager. Specifically the information ratio is the alpha divided by the variability of the alpha.

**Peer Universe** - a broadly defined group of investment managers (mutual funds) who employ a similar investment style.

**R-squared** - a measurement of how closely a portfolio's performance correlates with a benchmark Index.

**Sharpe Ratio** - A risk-adjusted ratio, developed by William Sharpe, calculated by using standard deviation and excess return to determine reward per unit of risk. The higher the ratio the better the fund's historical risk-adjusted performance.

**Standard Deviation** - A measure of the dispersion of a set of numbers around the average.

**Time Weighed Rate of Return** - A rate of return calculation that takes cash flow into consideration. Time-weighted rates of return by definition are calculated to minimize the effect of cash flows into and out of the portfolio.

**Tracking Error** - The amount by which the performance of the portfolio differed by that of the benchmark.

**Turnover** - volume of shares traded as a percentage of total shares currently held in the portfolio during a given period of time.

**Up market** - A quarter in which the market return is positive.